

**Down Syndrome  
Association of NSW**

**ABN 39 023 586 389**

Financial report  
For the year ended 30 June 2019

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**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>	<b>2</b>	<b>952,143</b>	<b>796,157</b>
<b>Less: expenses</b>			
Employee benefits expense	3	(641,115)	(508,103)
Occupancy expense		(80,521)	(78,695)
Accounting		(41,529)	(40,259)
Fundraising activities and functions		(10,078)	(42,532)
Advertising expense		(31,045)	(44,092)
Telephone & internet		(11,431)	(9,634)
Insurance		(10,828)	(10,789)
Repairs and maintenance		(8,247)	(7,902)
Room and space hire		(6,334)	(36,255)
Workers compensation insurance		(5,078)	(3,797)
Depreciation expense	3	(2,526)	(6,320)
Other expenses		(235,220)	(177,219)
		<b>(1,083,952)</b>	<b>(965,597)</b>
<b>Deficit for the year</b>		<b>(131,809)</b>	<b>(169,440)</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	4	326,406	110,284
Trade and other receivables	5	58,835	58,595
Other financial asset	6	700,374	738,881
<b>Total current assets</b>		<b>1,085,615</b>	<b>907,760</b>
<b>Non-current assets</b>			
Deposit		23,657	23,657
Plant and equipment	7	1,197	3,199
<b>Total non-current assets</b>		<b>24,854</b>	<b>26,856</b>
<b>Total assets</b>		<b>1,110,469</b>	<b>934,616</b>
<b>Current liabilities</b>			
Trade and other payables		51,324	141,013
Provisions	8	41,940	51,475
Contract liability		412,105	5,759
<b>Total current liabilities</b>		<b>505,369</b>	<b>198,247</b>
<b>Non-current liabilities</b>			
Provisions	8	7,868	7,328
<b>Total non-current liabilities</b>		<b>7,868</b>	<b>7,328</b>
<b>Total liabilities</b>		<b>513,237</b>	<b>205,575</b>
<b>Net assets</b>		<b>597,232</b>	<b>729,041</b>
<b>Members funds</b>			
Accumulated surplus		597,232	729,041
<b>Total members funds</b>		<b>597,232</b>	<b>729,041</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**STATEMENT OF CHANGES IN MEMBERS FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2017	898,481	898,481
Deficit for the year	(169,440)	(169,440)
<b>Balance as at 1 July 2018</b>	<b>729,041</b>	<b>729,041</b>
Deficit for the year	(131,809)	(131,809)
<b>Balance as at 30 June 2019</b>	<b>597,232</b>	<b>597,232</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash flow from operating activities</b>			
Cash receipts from customers		1,218,800	611,906
Cash paid to suppliers and employees		(1,044,691)	(773,320)
Interest received		4,029	4,079
<b>Net cash used in operating activities</b>		<b>178,138</b>	<b>(157,335)</b>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(524)	(981)
Proceeds from sale of plant and equipment		-	-
Payment for perpetual funds		38,508	10,518
<b>Net cash provided by/ (used in) investing activities</b>		<b>37,984</b>	<b>9,537</b>
<b>Cash flow from financing activities</b>			
Repayment of borrowings		-	(301)
<b>Net cash used in financing activities</b>		-	<b>(301)</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		110,284	258,383
Net increase/(decrease) in cash held		216,122	(148,099)
<b>Cash at end of financial year</b>	<b>4</b>	<b>326,406</b>	<b>110,284</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

Down Syndrome Association of NSW is an association domiciled in New South Wales and was established on 1 January 1980. The address of the Association's registered office is Level 6, 410 Church Street, Parramatta NSW 2150.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has determined that the association is not a reporting entity. Down Syndrome Association of NSW is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the requirements of the *Associations Incorporation Act 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* and the following Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 1048:	Interpretation and Application of Standards
AASB 1054:	Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**(b) Changes in significant accounting policies**

The Association has initially adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* as at 1 July 2018.

**AASB 9 Financial Instruments**

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments*:

**Recognition and Measurement**

The adoption of AASB 9 has not had a significant effect on the Association's accounting policies. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

**(i) Classification and measurement of financial assets and financial liabilities**

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Changes in significant accounting policies (continued)**

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale. Under AASB 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities.

The impact of AASB 9 on the classification and measurement of financial assets is set out below.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. On initial recognition, the Association may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The following accounting policies apply to the subsequent measurement of financial assets held by the Association:

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Association does not have any debt or equity investments at FVTOCI.



**DOWN SYNDROME ASSOCIATION OF NSW**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Changes in significant accounting policies (continued)**

**(ii) Measurement categories of financial assets**

Cash and cash equivalents, trade and other receivables, and loans and receivables are now classified at amortised cost.

**Modifications of financial assets and financial liabilities**

If the terms of a financial asset are modified, the Associate evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are deemed to have expired. The original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, the Association recalculates the gross carrying amount of the financial asset and recognises the derecognition as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses.

**(iii) Impairment of financial assets**

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

The Association has determined that the application of AASB 9's impairment requirements does not result in a material change to the impairment loss recognised at 1 July 2018.

**(iv) Financial liabilities**

The Association classifies non-derivative financial liabilities into the other financial liabilities category.

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Association also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial liabilities are initially recognised when the Association becomes party to the contractual provisions of the instrument. A financial liability is initially measured at fair value plus transaction costs that are directly attributable to its issue.

**DOWN SYNDROME ASSOCIATION OF NSW**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Changes in significant accounting policies (continued)**

**Transition**

On the date of initial application, 1 July 2018, the Association's financial assets and financial liabilities were reclassified as follows:

		Original	New	Original	New
		AASB 139	AASB 9	Carrying	Carrying
		Category	Category	Amount	Amount
	Note			AASB 139	AASB 9
Cash and cash equivalents	4	Loans and receivables	Amortised cost	326,406	326,406
Other financial assets	6	FVTPL	FVTPL	700,374	700,374
Trade and other receivables		Loans and receivables	Amortised cost	58,835	58,835
Deposits		Loans and receivables	Amortised cost	23,657	23,657
<b>Total financial assets</b>				<b>1,109,272</b>	<b>1,109,272</b>
Trade and other payables		Other financial liabilities	Other financial liabilities	51,324	51,324

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Changes in significant accounting policies (continued)**

**AASB 15 Revenue from Contracts with Customers**

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services.

The Association has adopted AASB 15 using cumulative effect method, with the effect of initially applying this standards recognised at the date of initial application (i.e. 1 July 2018).

The following table summarises the impact of adopting AASB 15 on the Association's statement of financial position as at 30 June 2019. There were no material impact on the Association's statement of profit or loss and OCI and cash flows for the year ended 30 June 2019.

	As reported	Adjustments	Amount without adoption of AASB 15
<b>Assets</b>			
Deferred income	-	(412,015)	412,105
Contract liability – current	412,105	412,015	-
	412,105	-	412,105

**(c) New Standards and interpretations not yet adopted**

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 1058 *Income of Not-for-Profit Entities* was issued in December 2016. The standard clarifies and simplifies income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 above. It replaces AASB 1004 *Contributions*. This standard will become mandatory for the Association's 30 June 2020 financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) New Standards and interpretations not yet adopted (continued)**

- AASB 16 *Leases* was issued in February 2016 and introduced changes to lessee accounting. It requires a lessee to recognise a right-of-use asset representing its rights to use the underlying lease asset and a lease liability representing its obligations to make lease payments other than short-term leases or leases of low-value assets on statement of financial position. This will replace the operating/finance lease distinction and accounting requirements prescribed in AASB 117 *Leases*. This standard will become mandatory for the Association's 30 June 2020 financial statements.

The impact on the financial statements of the Association on adoption of the above standards is currently being assessed.

**(d) Revenue**

The Association has initially applied AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. Revenue is measured based on consideration specified in a contract with a customer. The Association recognises revenue when it transfers control over a good or service to a customer.

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Revenue from organising and hosting events is recognised in the period in which the events are held.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is measured net of the amount of goods and services tax (GST).

**(e) Contributions - Government Grants and Donations**

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established and received.

**(f) Income tax**

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(h) Plant and equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

**(i) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Operating leases*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(j) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Employee benefits (continued)**

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**(k) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 2: REVENUE</b>		
Grants	573,220	342,323
Donations, bequests and fundraising	231,129	379,663
NDIS service fees	90,194	-
Sale of goods	16,510	10,167
Gain on perpetual investments	37,061	59,016
Interest income	4,029	4,079
Others	-	909
	<b>952,143</b>	<b>796,157</b>

**NOTE 3: OPERATING SURPLUS**

Deficit has been determined after:

**Depreciation**

- office furniture and equipment	2,525	6,320
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**Employee benefits:**

- Wages and salaries	596,640	431,690
- Other employee benefits	44,475	76,413
	<b>641,115</b>	<b>508,103</b>

Remuneration of auditors for:

**Audit and assurance services**

- Audit or review of the financial report	12,000	7,000
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**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at bank	326,306	110,074
Other cash	100	210
	<b>326,406</b>	<b>110,284</b>

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 023 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 5: RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	22,275	2,570
	<u>22,275</u>	<u>2,570</u>
Other receivables	36,560	56,025
	<u>58,835</u>	<u>58,595</u>

**NOTE 6: OTHER FINANCIAL ASSETS**

Other Financial Assets include the following investments:

<b>CURRENT</b>		
Investments – Perpetual fund	700,374	738,881



**DOWN SYNDROME ASSOCIATION OF NSW**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
<b>NOTE 7: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Office equipment at cost	37,777	37,777
Accumulated depreciation	(37,430)	(35,466)
	<u>347</u>	<u>2,311</u>
Computer equipment at cost	32,850	32,326
Accumulated depreciation	(32,000)	(31,438)
	<u>850</u>	<u>888</u>
Total plant and equipment	<u><b>1,197</b></u>	<u><b>3,199</b></u>

**NOTE 8: PROVISIONS**

**CURRENT**

Employee benefits	(a) 41,940	51,475
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**NON CURRENT**

Employee benefits	(a) 7,868	7,328
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(a) Aggregate employee benefits liability	<u><b>49,808</b></u>	<u><b>58,803</b></u>
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**NOTE 9: CHARITABLE FUNDRAISING ACT DISCLOSURES**

**Details of Aggregate Gross Income and Expenditure of Fundraising Appeals**

Donations, bequests and fundraising income	231,129	379,663
Total expenditure for fundraising events	(10,078)	(42,532)
Wages	(76,314)	(39,360)
	<u><b>144,737</b></u>	<u><b>297,771</b></u>

**NOTE 10: SUBSEQUENT EVENTS**

There have been no events subsequent to the statement of financial position date, which would have a material effect on the Association's financial statements at 30 June 2019.

**In the opinion of the Board the financial report as set out on pages 1 - 15:**

- This declaration is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:**

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-- Select/enter name --
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Dated this 16<sup>th</sup> day of October, 2019



## Independent Auditor's Report

To the members of Down Syndrome Association of NSW

### Opinion

We have audited the **Financial Report**, of Down Syndrome Association of NSW (the Association).

In our opinion, the accompanying **Financial Report** of the Association is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and *Not-for-profits Commission Act 2013 (ACNC)* and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations (collectively the Acts and regulations) including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2019
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in members funds, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. The statement by members of Board.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Other information

Other Information is financial and non-financial information in Association's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the statement by the members of the Board. The Association's members are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the statement by the members of the Board.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Association's members for the Financial Report

The Association's committee members are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991*.
- iii. Determining that the basis of preparation described in Notes 1 to the Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the members.
- iv. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- v. Assessing the Group and Association's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.





Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association's members.
- iv. Conclude on the appropriateness of the Association's members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Association to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Association's committee members of the registered Association regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act[s] and Regulation[s].

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



## Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2019;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2018 to 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

KPMG

Anthony Travers

Partner

Sydney

16 October 2019



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the members of Down Syndrome Association of NSW

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Anthony Travers  
Partner  
Sydney  
16 October 2019