

Australian Men's Shed Association Limited

Financial Statements

For the Financial Year Ended 30 June 2023

Australian Men's Shed Association Limited

Financial Statements For the Financial Year Ended 30 June 2023

CONTENTS

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	4
Directors' Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Cash Flows	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Independent Audit Report	21

Australian Men's Shed Association Limited

Directors' Report 30 June 2023

Your directors present their report on the Company for the financial year ended 30 June 2023.

1. General information

Directors

The names of the directors in office at any time during, or since the end of the year are:

Names

Helen Barker	
Bill Clifford	
Stuart Eustice	
Robert Jenkins	Resigned 10 November 2022
Aaron Kearney	Resigned 15 November 2022
Barry Laubsch	
Stuart Marshall	Term expired 31 January 2023
John Sharples	
Paul Sladdin	
Len Thomson	Term expired 31 January 2023
Trevor Gorey	Appointed 1 February 2023
Trevor Dobbyn	Appointed 1 February 2023
Luke Clifton	Appointed 1 February 2023
Michael Reddan	Appointed 1 February 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

David Helmers held the office of company secretary throughout the financial year and up to the date of this report.

Objectives

The short-term objective of the Company is the promotion and provision of advice for the establishing, operating and management of Men's Sheds across Australia.

The long-term objective of the Company is to sustain existing Men's Sheds and develop further Sheds across Australia to assist with the provision of support and mental health services to communities across Australia.

Strategy

Lead a united Men's Shed movement by actively encouraging a united approach to supporting all Men's Sheds across Australia. Advance the objectives of the National Men's Health Strategy, maintain and develop new men's well-being and health partnerships.

Our Supporters

We thank our supporters who share the objectives of advancing men's shed movement. In particular we thank the Australian Government, corporate sponsors and donors for their continued financial support.

Australian Men's Shed Association Limited

Directors' Report

30 June 2023

1. General information

Objectives

Principal activities

Implement national initiatives and facilitate relevant education, research, activities and services for the benefit of shedders, member Men's Sheds and the Men's Shed movement.

- Promote positive male health and well-being outcomes for Australian men
- Advance an effective Men's Shed movement
- Lead best practice standards for Men's Sheds
- Continue effective governance and operations of the Australian Men's Shed Association (AMSA)

Performance measures

The Company measures its performance based on performance reporting to the Commonwealth and the AMSA Board. The AMSA is also periodically reviewed by independent assessments based on performance measured against the given deliverables of our funding agreement.

Meetings of directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Helen Barker	4	3
Bill Clifford	4	4
Stuart Eustice	4	4
Aaron Kearney	1	-
Robert Jenkins	1	1
Barry Laubsch	4	4
Stuart Marshall	2	2
John Sharples	4	4
Paul Sladdin	4	4
Len Thomson	2	2
Trevor Gorey	2	2
Trevor Dobbyn	2	2
Luke Clifton	2	2
Michael Reddan	2	2

Indemnifying officers or auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Men's Shed Association Limited.

Contributors on winding up

In the event of the Company being wound up, members are required to contribute a maximum of \$10 each.

Australian Men's Shed Association Limited

Directors' Report 30 June 2023

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

A handwritten signature in blue ink, appearing to be 'Paul Smith', is written over a faint circular stamp.

Dated: 06/11/2023



PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Australian Men's Shed Association Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the 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.

The PKF logo, consisting of the letters 'PKF' in a bold, black, sans-serif font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

6 NOVEMBER 2023
NEWCASTLE, NSW

Australian Men's Shed Association Limited

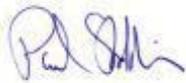
Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012*; and
 - b. give a true and fair view of the company's financial position and performance in accordance with the accounting policies described in Note 1 to the financial statements of the company;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Dated: 06/11/2023

Australian Men's Shed Association Limited

Statement of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	4,274,390	4,122,519
Employee benefits expense	4	(953,246)	(902,122)
Depreciation and amortisation expense	4	(21,122)	(22,301)
Shed development grants & donations	4	(1,758,380)	(2,050,813)
Administration expenses		(65,008)	(63,936)
Conference expense		-	(48,074)
Advertising and promotions		(183,759)	(158,563)
Professional services expense		(13,021)	(16,613)
Travel & motor vehicle expenses		(145,028)	(81,173)
Insurance expense		(994,267)	(817,519)
Other expenses		(42,781)	(25,053)
Finance costs	3	(6,293)	(6,929)
Surplus/(deficit) before income tax		91,485	(70,577)
Income tax expense	1(j)	-	-
Surplus/(deficit) for the year		91,485	(70,577)
Other comprehensive income for the year		-	-
Total comprehensive income		91,485	(70,577)

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	21(b)	1,761,508	2,058,845
Trade and other receivables	7	4,669	6,100
Inventories	8	7,113	-
Other assets	9	736,408	630,139
TOTAL CURRENT ASSETS		<u>2,509,698</u>	<u>2,695,084</u>
NON-CURRENT ASSETS			
Property plant & equipment	10	1,891	3,409
Right-of-use assets	11	118,072	138,908
TOTAL NON-CURRENT ASSETS		<u>119,963</u>	<u>142,317</u>
TOTAL ASSETS		<u>2,629,661</u>	<u>2,837,401</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	328,053	67,834
Lease liabilities	12	74,668	32,843
Employee benefits	14	125,381	146,028
Other liabilities	15	1,676,229	2,189,399
TOTAL CURRENT LIABILITIES		<u>2,204,331</u>	<u>2,436,104</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	52,726	127,394
Employee benefits	14	20,067	12,851
TOTAL NON-CURRENT LIABILITIES		<u>72,793</u>	<u>140,245</u>
TOTAL LIABILITIES		<u>2,277,124</u>	<u>2,576,349</u>
NET ASSETS		<u>352,537</u>	<u>261,052</u>
EQUITY			
Retained earnings		<u>352,537</u>	<u>261,052</u>
TOTAL EQUITY		<u>352,537</u>	<u>261,052</u>

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Cash Flows For the Financial Year Ended 30 June 2023

	2023	2022
Note	\$	\$
Cash from operating activities:		
Receipts from funding bodies, members, sponsorship and donations	4,112,117	4,197,883
Payments to suppliers and employees	(4,394,551)	(4,579,933)
Interest received	24,233	446
Interest paid	(6,293)	(6,929)
Net cash used in operating activities	21(a) <u>(264,494)</u>	<u>(388,533)</u>
Cash flows from investing activities:		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Repayment of lease liabilities	(32,843)	(13,747)
Net cash used in financing activities	<u>(32,843)</u>	<u>(13,747)</u>
Net decrease in cash and cash equivalents held	(297,337)	(402,280)
Cash and cash equivalents at beginning of year	2,058,845	2,461,125
Cash and cash equivalents at end of year	21(b) <u>1,761,508</u>	<u>2,058,845</u>

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Changes in Equity For the Financial Year Ended 30 June 2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	261,052	261,052
Surplus for the year	91,485	91,485
Balance at 30 June 2023	<u>352,537</u>	<u>352,537</u>
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	331,629	331,629
Deficit for the year	(70,577)	(70,577)
Balance at 30 June 2022	<u>261,052</u>	<u>261,052</u>

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(a) Statement of compliance

The financial report is a general purpose report which has been prepared in accordance with the Corporations Act 2001, Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

(b) Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

(c) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(d) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to Company commencing from the time the asset is held ready for use.

Assets held under a finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The depreciation rates used for each class of depreciable asset are:

Furniture, Fixtures and Fittings	7 - 30%
Office Equipment	33.3%
Computer Software	40%

The asset's residual values and useful lives are reviewed, and adjusted for if appropriate, at each balance date. An asset's carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(e) Financial instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(f) Cash and cash equivalents

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

(g) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Income tax

The company is exempt from income tax pursuant to s.11-5 of the Income Tax Assessment Act 1997.

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable are stated inclusive of GST.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(k) Goods and services tax (GST)

Cash flows are presented in the statement of cash flows are included on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(m) Revenue and Other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(n) Capital risk management

The company manages its capital to ensure it will be able to continue as a going concern while maximising the return to members through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2022.

The company's not subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand the company's assets, as well as to make the routine outflows of tax, supplier payments and repayment of maturing debt. The company's policy is to use borrowing facilities where available.

(o) Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Estimation of useful lives

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Provision for doubtful debts

The valuation of provision for doubtful debts is estimated by considering the ageing receivables, communication with the debtors and prior history. The directors determined that a \$nil provision (2022: \$1,000) for impairment of receivables was an appropriate provision based on aged receivables and debtor days.

Long service leave provision

As discussed in Note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

2 Revenue and Other Income

	2023	2022
	\$	\$
Sales revenue		
Government grants	2,815,538	3,010,461
Rendering of services	1,188,480	982,502
Donations	246,139	129,110
	<u>4,250,157</u>	<u>4,122,073</u>
Other income		
Interest - investment	24,233	446
	<u>4,274,390</u>	<u>4,122,519</u>

3 Finance expenses

Interest expense	<u>6,293</u>	<u>6,929</u>
------------------	--------------	--------------

4 Expenses

Depreciation expense	<u>21,122</u>	<u>22,301</u>
Employee benefits expense	<u>953,246</u>	<u>902,122</u>
Shed development grants and donations	<u>1,758,380</u>	<u>2,050,813</u>

5 Key management personnel

The specified non-executive directors of Australian Men's Shed Association Limited during the year were:

Robert Jenkins	Aaron Kearney	Barry Laubsch
Paul Sladdin	Len Thomson	Helen Barker
Stuart Marshall	John Sharples	Bill Clifford
Stuart Eustice	Micael Reddan	Trevor Gorey
Trevor Dobbyn	Luke Clifton	

Specified directors remuneration

The non-executive directors received no remuneration during their terms in office for both the 2022 and 2023 financial years.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

5 Key management personnel

Specified executives remuneration

The Board reviews the remuneration packages of the executive director on an annual basis. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries adjusted by a performance factor to reflect changes in the performance of the company.

	2023	2022
	\$	\$
Short-term employee benefits(i)	174,270	166,082
Post-employment benefits	24,717	30,110
	<u>198,987</u>	<u>196,192</u>

(i) This amount includes salaries and wages paid in the period.

6 Auditors' Remuneration

Remuneration of the auditor of the Company for:

Auditing the financial report

12,840	12,000
--------	--------

7 Trade and other receivables

Trade and other receivables

4,669	7,100
-------	-------

Less: Provision for doubtful debts

-	(1,000)
---	---------

<u>4,669</u>	<u>6,100</u>
--------------	--------------

8 Inventories

CURRENT

Finished goods

7,113	-
-------	---

9 Other current assets

Prepayments

736,408	630,139
---------	---------

10 Property, Plant and Equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost

5,999	12,161
-------	--------

Accumulated depreciation

(4,206)	(8,898)
---------	---------

<u>1,793</u>	<u>3,263</u>
--------------	--------------

Computer equipment

At cost

3,735	98,835
-------	--------

Accumulated depreciation

(3,637)	(98,689)
---------	----------

<u>98</u>	<u>146</u>
-----------	------------

<u>1,891</u>	<u>3,409</u>
--------------	--------------

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

10 Property, Plant and Equipment

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$
Balance at the beginning of year	3,263	146	3,409
Disposals	(1,233)	-	(1,233)
Depreciation	(237)	(48)	(285)
Balance at the end of the year	<u>1,793</u>	<u>98</u>	<u>1,891</u>

11 Right of Use Assets

	Motor Vehicles	Total
	\$	\$
Balance at the beginning of the year	138,908	138,908
Depreciation	(20,836)	(20,836)
Balance at the end of the year	<u>118,072</u>	<u>118,072</u>

12 Leases

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	<u>77,672</u>	<u>53,075</u>	-	<u>130,747</u>	<u>127,394</u>
2022					
Lease liabilities	<u>39,136</u>	<u>130,747</u>	-	<u>169,883</u>	<u>160,237</u>

13 Trade and other payables

Trade payables	298,642	51,148
GST payable	217	1,444
Sundry payables and accrued expenses	29,194	15,242
	<u>328,053</u>	<u>67,834</u>

14 Employee benefits

Current		
Long service leave	28,078	26,778
Annual leave	97,303	119,250
	<u>125,381</u>	<u>146,028</u>

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

14 Employee benefits

	2023	2022
	\$	\$
Non-current		
Long service leave	20,067	12,851

15 Other liabilities

Unearned membership & sponsorship income	856,487	800,979
Grants received in advance	758,341	1,280,522
Other deferred income	61,401	107,898
	<u>1,676,229</u>	<u>2,189,399</u>

16 Dividends

The company's constitution prevents the declaration of dividends. Accordingly no dividend has been declared in respect of the year ended 30 June 2023 (2022: nil).

17 Related party transactions

Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 5 to the financial statements.

Other transactions with specified directors

During the year there were no transactions with specified Directors or their relatives (2022: nil) not otherwise disclosed in the financial statements.

18 Events After the Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

19 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities as at 30 June 2023 (2022: nil).

20 Segment information

The company promotes the idea of Independent Community Men's Sheds and acts as a resource centre for Men's Sheds across Australia. Accordingly there is only one business and geographical segment.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

21 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Surplus

	2023	2022
	\$	\$
Surplus/(deficit) for the year	91,485	(70,577)
Depreciation and amortisation of non - current assets	21,122	22,301
Loss on sale or disposal of non - current assets	1,232	-
Changes in assets and liabilities		
- decrease in trade and other receivables	1,431	21,908
- increase in other assets	(106,269)	(110,188)
- increase in inventories	(7,113)	-
- increase in trade payables and accruals	260,219	53,085
- decrease in other current liabilities	(513,170)	(325,735)
- (decrease)/increase in provisions	(13,431)	20,673
Net cash flows provided by operating activities	<u>(264,494)</u>	<u>(388,533)</u>

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Bank balances	<u>1,761,508</u>	<u>2,058,845</u>
---------------	------------------	------------------

Included in the total bank balance above is a cash balance of \$61,401 relating to the NSW Men's Shed Association. AMSA hold these funds on behalf of NSW and therefore a corresponding liability has been recognised at 30 June 2023 (2022: \$107,898).

22 Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Interest Rate Risk

The company's cash reserves are subject to interest rate risk, but the company is not dependent on this income.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

22 Financial Instruments

Interest Rate Risk

Maturity profile of financial instruments

The following table details the company's exposure to interest rate risk as at 30 June 2023 and 30 June 2022:

	Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash at bank	0.01	0.01	1,761,508	2,058,845	-	-	1,761,508	2,058,845
Receivables	-	-	-	-	4,669	6,100	4,669	6,100
Total Financial Assets			1,761,508	2,058,845	4,669	6,100	1,766,177	2,064,945
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	328,053	67,834	328,053	67,834
Lease liabilities	0.01	0.01	127,394	160,237	-	-	127,394	160,237
Employee provisions	-	-	-	-	145,448	158,879	145,448	158,879
Total Financial Liabilities			127,394	160,237	473,501	226,713	600,895	386,950

(b) Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. As the overwhelming majority of the company's revenue are government grants, the directors' consider credit risk to be minimal.

Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2022: net fair value).

(c) Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

(d) Market risk

As a resource centre for Men's Sheds across Australia, the directors' consider market risk to be minimal.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Australian Men's Shed Association Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2023

23 Company Details

Principal Place of Business and Registered Office

The principal place of business and registered office is:

2/21 Parnell Place
Newcastle NSW 2300

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN MEN'S SHED ASSOCIATION LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Men's Shed Association Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Australian Men's Shed Association Limited, has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Other Information (cont'd)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 and 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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 directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



MARTIN MATTHEWS
PARTNER

6 NOVEMBER 2023
NEWCASTLE, NSW