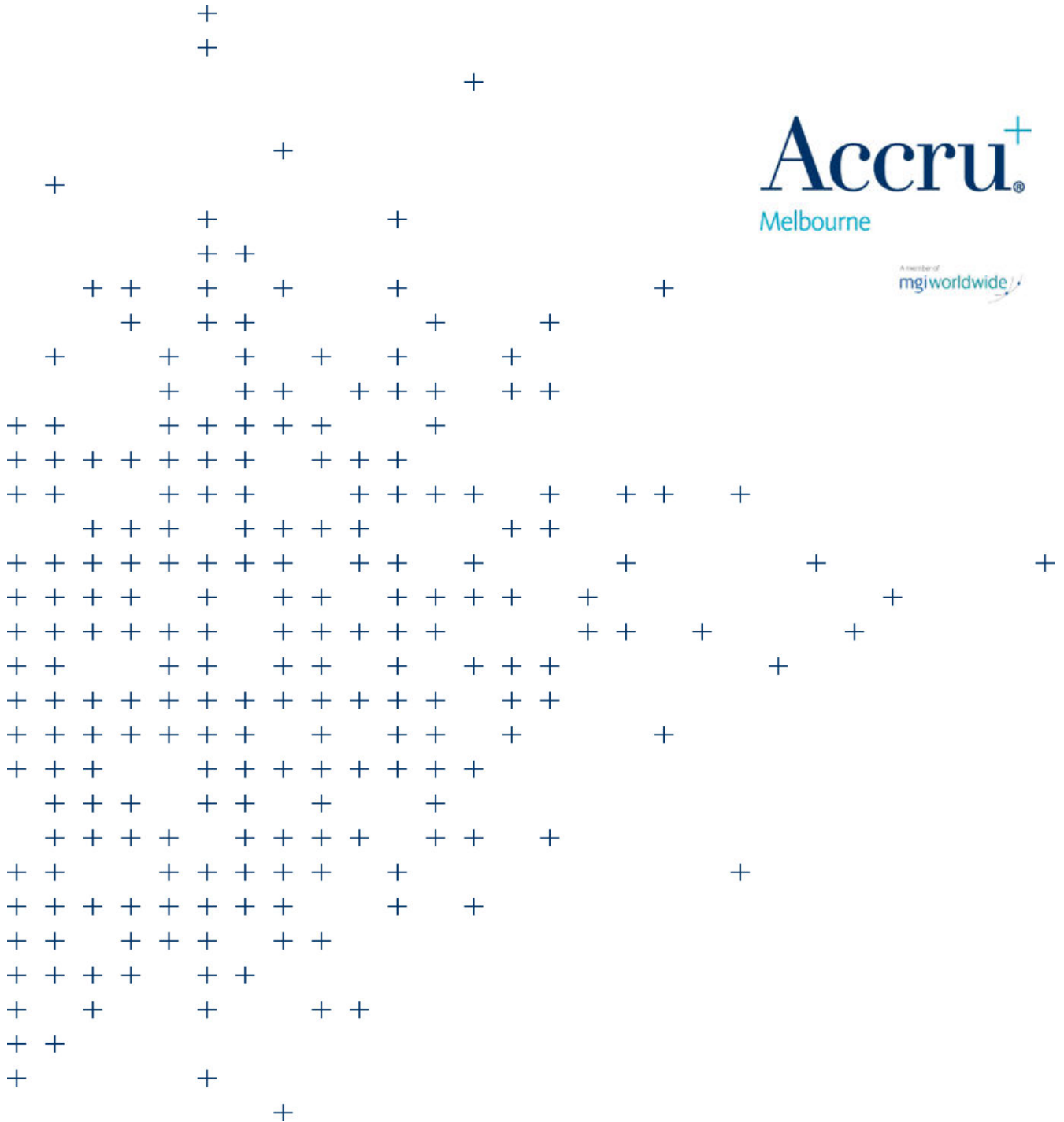


**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**



Good Shepherd Australia New Zealand

ACN: 135 641 217

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For the Year Ended 30 June 2022

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Good Shepherd Australia New Zealand

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Directors' Report

30 June 2022

The Directors present their report on Good Shepherd Australia New Zealand for the financial year ended 30 June 2022.

Directors

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

Names	Position	Appointed/Resigned
Anne Astin AM PSM PhD	GSANZ/GSS Chair	Appointed 01 Dec 2019
Anthony Healy	Director	Appointed 03 Feb 2021
Molina Asthana	Director	Appointed 01 Dec 2019
Gill Callister PSM	Director	Appointed 01 Dec 2019
Dame Diana Crossan	Director	Resigned 04 Feb 2022
Michael Raper	Director	Re-Appointed 01 Dec 2019
Anne Cherry	Director	Re-Appointed 01 Dec 2021
Thu Trang Tran	Director	Appointed 03 Feb 2021
Conny Lenneberg	Director	Appointed 01 Feb 2022
Andi Diamond	Director	Appointed 01 Feb 2022
Emma Saunders	Director	Appointed 25 Apr 2022

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

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are

Anne Astin AM PSM PhD	GSANZ/GSS Chair
Experience & Qualifications	<p>Anne is an experienced Board member, Chair and Executive with more than 25 years working in the areas of education and science, the food, beverage and pharmaceuticals industries, food safety regulation, energy, land management, environment, and social services.</p> <p>Her international trade and regulatory experience, and commitment to the Victorian public sector, makes her a strong advocate for ensuring ethical values are maintained alongside strong corporate governance.</p> <p>Anne holds a PhD in Biochemistry and has received numerous awards for her involvement in the dairy industry and public service including the Australian Dairy Industry Council's Outstanding Service Award and the John Bryant Gold Medal. In 2010, she was inducted into the Victorian Women's Honour Roll in addition to being awarded a Public Service Medal (PSM) in 2011 and an Order of Australia Medal (AM) in the General Division in 2020.</p> <p>Anne is passionate about advocating for those in our society who are not able to do so, promoting women in leadership, sustainability in the food industry, and elevating organisational governance. She is currently Board Chair of the Sir William Angliss Institute, Dairy Food Safety Victoria, and the Food Agility Co-operative Research Centre. She is a non-Executive Director of the Advisory Board for New Zealand's Food Safety Science and Research Centre, and Sheep Producers Pty Ltd. Anne is a Trustee of Kildare Ministries and a Member of the Council at Catholic Social Services Victoria.</p>

Good Shepherd Australia New Zealand

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Directors' Report

30 June 2022

Anthony Healy

Chair of the Finance, Audit & Risk Committee; Chair of the Property, Investment & Assets Committee

Experience & Qualifications

Anthony has a strong track record of success in CEO, C-suite, and board-level roles in the finance sector over the past 28 years, including CEO of the Bank of New Zealand (BNZ) and Chief Customer Officer at National Australia Bank (NAB). With a family of social workers (and one Good Shepherd Sister!), he developed a strong commitment to social justice and financial inclusion. As such, Anthony endeavours to affect the greatest positive social impact from within organisations.

While leading the Bank of New Zealand in 2014, Anthony led a community finance initiative with Good Shepherd Australia New Zealand to tackle financial exclusion for vulnerable New Zealanders. Anthony is the inaugural CEO of the Australian Business Growth Fund, an investment fund dedicated to supporting the growth of entrepreneurs and family-owned businesses in Australia. Anthony is also a Director of Bank Australia.

After three decades in the finance industry, Anthony brings his expertise to the Board of GSANZ, as Chair of the Finance, Audit and Risk Committee and as Chair of the Property, Investment and Assets Committee.

Molina Asthana

Member of the Finance Audit and Risk Committee

Experience & Qualifications

Molina's experience includes working in top tier firms Minter Ellison (Mergers & Acquisitions) and Clayton Utz (Banking & Finance) and the Victorian Government Solicitor's Office. She has significant experience in the Indian jurisdiction, in the Supreme Court, with top law firms and as in-house counsel of a big conglomerate. Several of Molina's Public Interest Litigations were reported in the national newspapers.

Molina has received numerous awards including the Victorian Multicultural Award for Excellence for 2014 and for 2016, was a finalist for the Law Institute of Victoria- Access to Justice Award 2016 – and profiled in the Top 50 of the Indian Community in Melbourne in 2012, 2013 and 2014.

Molina also sits on the boards of the Law Institute of Victoria, AMES Australia, Gymnastics Victoria, the Graduate House of the University of Melbourne, Australasian Centre for Human Rights and Health, and Table Tennis Victoria. She is also the National President of the Asian Australian Lawyer's Association, and the Victorian Convener of the Asian Australian Alliance.

She is on the advisory board for the AFL Southeast Commission and has been a Cricket Australia Ambassador as well as the Commonwealth Games 2018 Ambassador, and Jean Hailes Women's Health Week Ambassador. Molina is a member of the Football Federation of Victoria's Tribunal.

Molina is the founder of the organisation Multicultural Women in Sport which aims to empower women from multicultural backgrounds through sport.

Directors' Report

30 June 2022

Gill Callister PSM

Experience & Qualifications

Chair of the Mission and Service Strategy Committee

Gill Callister is Chief Executive Officer of Mind Australia, a community-based mental health organisation with a long tradition of working with people with serious mental illness. She has dedicated her career to improving public policy and service delivery, particularly for vulnerable people in the community, and was recognised with a Public Service Medal in 2019.

Gill began her career as a social worker and spent ten years working in child protection and family services in nongovernment organisations.

Gill served as Secretary of two Victorian Government Departments over almost ten years from 2009 to the end of 2018 – The Department of Human services and The Department of Education and Training. Her legacy is a strong reputation for person-centred reform in social policy and an active advocate for gender equality and women's leadership. Gill's leadership in public policy was recognised in 2013 when she was named in the Australian Financial Review's 100 Women of Influence.

Most recently, Gill was an Associate Dean at the Australia and New Zealand School of Government (ANZSOG). Gill is chair of the Australian Health Practitioners Regulation Agency management committee, a member of the Monash University Council, and a member of the Good Shepherd Australia and New Zealand Board.

Dame Diana Crossan

Experience & Qualifications

Diana is an experienced company director, and Chief Executive. In the 2019 New year honors she was made a Dame for her work in equal employment opportunities, Retirement Income and work in charity.

Most recently, Diana was the CE of Wellington Free Ambulance, and in the 10 years prior was the Retirement Commissioner of New Zealand. Diana has both a national and international background covering public, private and not for profit organisations. Her positions have covered both governance and operational issues where she worked with government ministers and CEO's of private and public organisations, as well as setting up and running her own small business.

Diana's areas of expertise and key achievements include:

- Transforming the role of the Retirement Commissioner into a broadly influential office, nationally and internationally, with significant leadership in the fields of financial literacy and retirement income.
- Developing new distribution channels and strategic alliances that changed the sales approach for a global insurance company in New Zealand and with 4.1 million customers in the United Kingdom.

Leading in diverse fields include chairing, directorships, and managing government entities, private companies, charitable trusts, and community organisations.

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Directors' Report

30 June 2022

Michael Raper

Experience & Qualifications

Michael has qualifications in arts, education and law and is a Graduate of the Australian Institute of Company Directors (GAICD).

Michael most recently worked for the Australian Council of Social Service (ACOSS) as Senior Advisor and Australian Red Cross as Director of Services and International Operations. Until recently he chaired the boards of the Welfare Rights Legal Centre in Sydney and Community 21 in Melbourne. He is a recipient of the Australian Human Rights Medal, and of the Justice Medal.

Michael has also had extensive board experience as President/Chair of ACOSS, the International Council on Social Welfare, the Mandela Foundation of Australia, the National Welfare Rights Network, and the Independent Teachers Federation of Australia.

Anne Cherry

Experience & Qualifications

Member of the Mission and Service Strategy Committee

Anne began her involvement with Good Shepherd in 2015 serving on the Rosemount Good Shepherd Board in NSW. As a member of the board of Good Shepherd Australia New Zealand, Anne is committed to supporting financial resilience and capacity building for women overcoming structural disadvantage.

Anne is currently working at ANZ bank managing external communications for a large change program. She has over 20 years' experience in senior communications and corporate affairs roles across banking and financial services, IT, and Mining and Resources where she has specialised in the delivery of corporate social responsibility programs, sponsorship, grant making and foundations. Anne has a passion to connect commercial entities to the not-for-profit sector to deliver improved societal outcomes especially for young women.

Anne has lived and worked in India and the UK and has continued a lifelong interest in India through her many visits and through her ongoing professional contacts. During her career she has also had the pleasure to work on diversity and inclusion projects including building employment opportunities for African professionals and undertaking a secondment in the Kimberley working with the Kimberley Land Council on Cultural Governance Frameworks.

She holds a B. Comm from UNSW and an MBA from RMIT and has previously served on the Western Sydney Business Connection (WSBC) Board and been a member of the fundraising committee for St Francis Social Services.

Directors' Report

30 June 2022

Thu Trang Tran

Experience & Qualifications

Thu-Trang is the CEO of Volunteer West. She is also a Commissioner of the Victorian Building Authority and a Sessional Commissioner of the Victorian Liquor Commission.

Thu-Trang began her career as a commercial and information technology lawyer in Sydney. She has been able to combine her social justice values and strategic leadership work over two decades across Australia and overseas in private and public sector organisations such as Gilbert + Tobin Lawyers, Vodafone, Oxfam, University of Melbourne, and the Victorian Government. She also previously found a social enterprise in Vietnam that ran a women's leadership program, published and distributed bilingual children's books on water safety in Vietnam and Thailand.

Thu-Trang is a life-long learner and is at the latter stage of her doctorate examining wise practice in public administration, what it looks like and its enablers and barriers, including a novel look at wise leadership in public management.

Conny Lenneberg

Experience & Qualifications

Member of the Mission & Service Strategy Committee

Conny is an experience executive in the community and social justice sector, with 30 years diverse international and local experience from field practitioner to executive and governance leadership. Her expertise is across leadership, strategy, and evidence-based community development practice.

Conny commenced her career as a researcher, and quickly shifted to applied research and practice of community development and humanitarian response, working with community-based organisations and governments to achieve immediate outcomes as well as long term policy and practice change.

She is currently a Non-Executive Director with the Gardiner Dairy Foundation and member of the Advisory Committee of the La Trobe Human Security and Social Change Institute.

Most recently Conny was the Executive Director of the Brotherhood of St. Laurence and has previously served on various Boards and Advisory Committees, including the Community Council of Australia, Oxfam Australia, several World Vision National Boards, the Monash Sustainable Development Institute, the Community Crisis Cabinet, and several World Vision National Boards.

Dr Andi Diamond

Experience & Qualifications

Member of the Finance, Audit and Risk Committee

Andi is an experienced Chief Executive Officer having led diverse and complex organisation, she currently serves as the Chief Executive Office for the City of Monash. Andi is also the Chairperson of Business School Industry Advisory Board at Victoria University.

Andi commenced her career as a social worker; working as part of Victoria's first sexual assault team, going on to train child protection workers and Victoria Police officers in interview techniques and how to work with young children who had been sexually abused. Her career in local government grew after taking on executive and director roles at the City of Boroondara, Melton City Council, Yarra City Council and City of Monash.

She previously served as President of the Metropolitan Fire and Emergency Services Board, a Director of St. John Ambulance Victoria and Respect Victoria, Department of Health and Human Services (VIC).

Good Shepherd Australia New Zealand

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Directors' Report

30 June 2022

Emma Saunders

Chair of Good Shepherd NZ

Experience & Qualifications

Emma is a business owner, consultant, and director. She works with governance boards with senior executives to find the best path to achieving an organisation's vision. Her parents were health professionals and community volunteers, which sparked her belief in equity, service, and systems for strength. Emma gravitates toward tackling significant issues that compound disadvantages for people, particularly women.

Emma is also the Founder and Director of Empathy, Director of Well Finances, and Director of Hutt Valley Women's Refuge.

As well as her role on the Board of Good Shepherd Australia New Zealand, Emma is the Chair of Good Shepherd New Zealand.

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

Principal activities

The principal activities of Good Shepherd Australia New Zealand during the financial year were to undertake activities that aim to disrupt the intergenerational cycle of disadvantage, with a focus on women and girls.

We offer a range of programs and services with a focus on microfinance, safety and resilience, financial security and education pathways.

We also conduct research through our WRAP (Women's Research Advocacy and Policy) Centre, develop social policy and advocate on social justice issues.

Operating surplus

The surplus of the Group after providing for income tax amounted to \$ 630,943 (2021: \$ 1,559,159).

Objectives

To progress and expand services to marginalised and economically disadvantaged people, principally in Australian society, especially women and children, in particular by:

- Providing care and support for disadvantaged youth and families, including (inter alia) the operation of a Secondary School and/or learning centres for young people who are unable to attend mainstream education due to disadvantage and/or marginalisation;
- Implementing support programs and services for women and children who are victims of violence;
- Implementing programs for women and children to alleviate poverty and exploitation and to promote social and financial inclusion; and
- Interventions to disrupt the inter-generational cycle of disadvantage in women and children.

Good Shepherd Australia New Zealand

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Directors' Report

30 June 2022

Strategy for achieving the objectives

To achieve these objectives, the Group's focus is to:

- Expand educational and vocational pathways for young women and girls.
- Develop financial coaching and capability building for women and girls.
- Create innovative programs for single mothers.
- Build on programs to address safety and resilience for women and girls.
- Contribute to the sector's knowledge and development in the areas of economic abuse, forced marriage and mental health.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Member's guarantee

Good Shepherd Australia New Zealand is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member is limited to \$ 100 subject to the provisions of the Company's constitution.

At 30 June 2022 the collective liability of members' was \$100 (2020: \$100).

Meetings of directors

During the financial year, 19 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Meeting of Board of Directors		Financial, Audit & Risk (FAR) Committee		Mission & Service Strategy (MSS) Committee		Property, Investment & Assets (PIA) Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Anne Astin AM PSM PhD	5	5	-	-	-	-	-	-
Anthony Healy	5	5	5	5	-	-	4	4
Molina Asthana	5	5	5	5	-	-	-	-
Gill Callister PSM	5	5	-	-	5	5	-	-
Dame Diana Crossan	2	2	-	-	-	-	-	-
Michael Raper	5	5	-	-	-	-	-	-
Anne Cherry	5	3	-	-	5	4	-	-
Thu Trang Tran	5	5	-	-	-	-	-	-
Conny Lenneberg	3	2	-	-	2	1	-	-
Dr Andi Diamond	3	3	2	2	-	-	-	-
Emma Saunders	2	1	-	-	-	-	-	-

Good Shepherd Australia New Zealand

ACN: 135 641 217

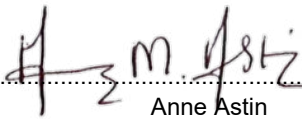
Directors' Report

30 June 2022

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2022 has been received and can be found on page 9 of the financial report.

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

Director: 
Anne Astin

Director: 
Anthony Healy

Dated 13 October 2022

Good Shepherd Australia New Zealand

ACN: 135 641 217

Auditor's Independence Declaration under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Good Shepherd Australia New Zealand

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, 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.

ACCRU MELBOURNE (AUDIT) PTY LTD



R A LANE
Director

50 Camberwell Road
HAWTHORN EAST VIC 3123

13 October 2022

Good Shepherd Australia New Zealand

ACN: 135 641 217

Statement of Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	2	61,041,464	58,047,078
Cost of sales		-	(33,795)
Employee benefits expense		(42,255,044)	(34,309,855)
Depreciation and amortisation expense		(1,700,514)	(2,359,634)
Program delivery expenses		(7,968,807)	(9,907,533)
Resource allocation and donations		-	(29,603)
Property, occupancy and utilities expenses		(1,002,217)	(1,103,386)
Consultants and investment management fees		(1,392,127)	(877,365)
Communication and IT		(2,926,461)	(3,765,154)
Repairs and maintenance		(170,366)	(324,577)
Advertising, marketing and promotions		(720,738)	(1,009,541)
Travel and motor vehicle expenses		(363,712)	(291,516)
Other operating expenses		(1,788,693)	(2,325,391)
Finance costs		(121,842)	(150,569)
Surplus/(deficit) for the year		630,943	1,559,159
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of FVOCI financial instruments		(508,210)	955,751
Other comprehensive income for the year		(508,210)	955,751
Total comprehensive income / (loss) for the year		122,733	2,514,910

The accompanying notes form part of these financial statements.

Good Shepherd Australia New Zealand

ACN: 135 641 217

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	11,081,464	21,376,229
Trade and other receivables	5	13,590,778	7,700,025
Financial assets	6	4,463,534	4,800,118
Other assets	8	1,094,458	1,612,761
TOTAL CURRENT ASSETS		<u>30,230,234</u>	<u>35,489,133</u>
NON-CURRENT ASSETS			
Right-of-use assets	7	2,542,765	2,745,329
Property, plant and equipment	9	2,236,946	1,645,939
Intangible assets	10	2,883,553	351,309
TOTAL NON-CURRENT ASSETS		<u>7,663,264</u>	<u>4,742,577</u>
TOTAL ASSETS		<u>37,893,498</u>	<u>40,231,710</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	3,427,787	2,983,251
Employee benefits	13	3,790,851	3,516,201
Income in advance	12	18,299,318	21,449,974
Lease liabilities	7	1,040,858	1,029,042
TOTAL CURRENT LIABILITIES		<u>26,558,814</u>	<u>28,978,468</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	433,323	144,093
Lease liabilities	7	2,020,423	2,350,944
TOTAL NON-CURRENT LIABILITIES		<u>2,453,746</u>	<u>2,495,037</u>
TOTAL LIABILITIES		<u>29,012,560</u>	<u>31,473,505</u>
NET ASSETS		<u>8,880,938</u>	<u>8,758,205</u>
EQUITY			
Reserves		62,385	570,595
Retained earnings		8,818,553	8,187,610
TOTAL EQUITY		<u>8,880,938</u>	<u>8,758,205</u>

The accompanying notes form part of these financial statements.

Good Shepherd Australia New Zealand

ACN: 135 641 217

Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings	Financial Asset Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	8,187,610	570,595	8,758,205
Surplus for the year	630,943	-	630,943
Revaluation increment (decrement)	-	(508,210)	(508,210)
Balance at 30 June 2022	8,818,553	62,385	8,880,938

2021

	Retained Earnings	Financial Asset Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	6,628,451	(385,156)	6,243,295
Surplus for the year	1,559,159	-	1,559,159
Revaluation increment (decrement)	-	955,751	955,751
Balance at 30 June 2021	8,187,610	570,595	8,758,205

The accompanying notes form part of these financial statements.

Good Shepherd Australia New Zealand

ACN: 135 641 217

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government and donors	63,194,035	73,483,095
Payments to suppliers and employees	(63,344,242)	(60,071,526)
Interest received	32,768	109,278
Dividends received	170,522	174,821
Interest paid	(121,842)	(150,569)
Net cash provided by/(used in) operating activities	14 <u>(68,759)</u>	<u>13,545,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	-
Purchase of plant and equipment	(1,211,334)	(535,254)
Net proceeds from / purchase of financial assets	(171,626)	(81,458)
Purchase of intangible assets	(2,678,982)	(344,398)
Net cash provided by/(used in) investing activities	<u>(4,061,942)</u>	<u>(961,110)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from / (repayment of) borrowings	-	(5,921,201)
Repayment of lease liabilities	(1,049,590)	(1,029,042)
Proceed from / (repayment of) related party loans	(5,114,474)	(3,335,232)
Net cash provided by/(used in) financing activities	<u>(6,164,064)</u>	<u>(10,285,475)</u>
Net increase/(decrease) in cash and cash equivalents held	(10,294,765)	2,298,514
Cash and cash equivalents at beginning of year	<u>21,376,229</u>	<u>15,742,483</u>
Cash and cash equivalents at end of financial year	4 <u><u>11,081,464</u></u>	<u><u>18,040,997</u></u>

The accompanying notes form part of these financial statements.

Good Shepherd Australia New Zealand

ACN: 135 641 217

Notes to the Financial Statements

For the Year Ended 30 June 2022

The consolidated financial statements (hereafter referred to as "financial statements") are for Good Shepherd Australia New Zealand and its controlled entities. All entities in the Group are incorporated and domiciled in Australia. Good Shepherd Australia New Zealand is a not-for-profit Company limited by guarantee.

1 Summary of Significant Accounting Policies

Basis of preparation

Good Shepherd Australia New Zealand has prepared special purpose financial statements as, in the opinion of the Directors, it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs. These financial statements have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

These financial statements do not consolidate the Good Shepherd Services entity (ACN: 132 221 820) despite the Directors being the same individuals as Good Shepherd Australia New Zealand. Good Shepherd Services has prepared a separate set of financial statements which is considered to represent more faithfully the governance approach applied. Good Shepherd Australia and New Zealand's partially consolidated special purpose financial statements comply with the recognition and measurement requirements in Australian Accounting Standards except for the requirements set out in AASB 10 Consolidated Financial Statements.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(a) Basis for consolidation

The financial statements include the financial position and performance of the controlled entities below from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Controlled entities

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The following is a list of controlled entities of Good Shepherd Australia New Zealand that have been consolidated in these financial statements:

- Good Shepherd Microfinance (ACN: 151 124 408) - Deregistered 30 June 2022
- The Trading Circle (ACN: 071 469 326) - Deregistered 2 March 2021

(b) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2022

(c) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Income tax

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

(e) Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Good Shepherd Australia New Zealand's activities as discussed below.

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 Group 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 Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the conditions of the agreement stipulates performance obligations that require fulfilling, the grant is recognised in the statement of financial position as a liability until the performance obligations have been fulfilled.

Revenue from fund raising activities is recognised as received as it is not possible to identify income from donations and other fund raising until received.

Donations of goods and services from volunteers and suppliers are not taken up in the accounts as they are not able to be quantified accurately.

Interest revenue is recognised when the right to receive the interest has been established.

Dividend revenue is recognised when received.

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 payables in the statement of financial position are shown inclusive of GST.

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

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

Plant and equipment	12.5-15%
Motor vehicles	15-33%
Office equipment	20-33%
Computer equipment	33-50%
Leasehold improvements	5-20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. To 30 June 2022, no impairment losses have been recorded.

Notes to the Financial Statements

For the Year Ended 30 June 2022

(h) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

Notes to the Financial Statements

For the Year Ended 30 June 2022

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 30 June 2022

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(j) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(k) Financial statements preparation in accordance with the Charitable Fundraising Act 1991

These financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991*.

(l) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Australian Accounting Standards or as a result of a change in accounting policy.

(m) Adoption of new and revised accounting standards

During the current year, the Group adopted all new Australian Accounting Standards. The adoption of these Standards have not had a significant impact on the recognition, measurement and disclosure of transactions.

Notes to the Financial Statements

For the Year Ended 30 June 2022

(n) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these Standards but does not expect the adoption of these standards to have any significant impact on the reported position or performance of the Group.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Revenue and other income

	2022	2021
Note	\$	\$
Revenue		
- Sale of goods	-	49,397
- Operating grants	52,242,922	45,777,253
- Corporate sponsors	5,237,857	7,467,580
- Service and administration fees	2,401,198	2,491,205
- Interest received	32,768	109,277
- Dividend received	170,522	174,821
- Donations	15 700,625	810,045
- Fees revenue	-	82,316
- Other revenue	255,572	1,085,183
	<u>61,041,464</u>	<u>58,047,077</u>

Other Income

3 Other expenses

Bad debts	-	96,834
Loss on disposal of fixed assets	-	13,291

4 Cash and Cash Equivalents

Cash on hand	13,535	14,846
Cash at bank	8,842,888	3,125,100
Short-term bank deposits	2,225,041	18,236,283
	<u>11,081,464</u>	<u>21,376,229</u>

5 Trade and Other Receivables

CURRENT		
Trade receivables	2,567,905	1,908,251
Related party receivables	10,221,968	5,107,494
Other receivables	800,905	684,280
	<u>13,590,778</u>	<u>7,700,025</u>

6 Financial Assets

CURRENT		
Equity instruments classified as Fair Value Through Other Comprehensive Income	4,463,534	4,800,118
	<u>4,463,534</u>	<u>4,800,118</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Leases

Right-of-use assets

	Buildings \$	Total \$
Year ended 30 June 2022		
Balance at beginning of year	4,435,120	4,435,120
Accumulated depreciation	<u>(1,892,355)</u>	<u>(1,892,355)</u>
Balance at end of year	<u><u>2,542,765</u></u>	<u><u>2,542,765</u></u>

Year ended 30 June 2021

Balance at beginning of year	4,620,108	4,620,108
Accumulated depreciation	<u>(1,874,779)</u>	<u>(1,874,779)</u>
Balance at end of year	<u><u>2,745,329</u></u>	<u><u>2,745,329</u></u>

Lease liabilities

	2022 \$	2021 \$
Current lease liabilities	1,040,858	1,029,042
Non-current lease liabilities	<u>2,020,423</u>	<u>2,350,944</u>
	<u><u>3,061,281</u></u>	<u><u>3,379,986</u></u>

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 \$
2022					
Lease liabilities	1,141,165	2,104,289	-	3,245,454	3,061,281
2021					
Lease liabilities	1,174,366	2,531,345	-	3,705,711	3,379,986

Notes to the Financial Statements

For the Year Ended 30 June 2022

Statement of Comprehensive Income

The amounts recognised in the statement of comprehensive income relating to leases where the Group is a lessee are shown below:

	2022	2021
	\$	\$
Interest expense on lease liabilities	(121,842)	(150,569)
Depreciation of right-of-use assets	(933,449)	(1,143,579)
	<u>(1,055,291)</u>	<u>(1,294,148)</u>

8 Other Assets

CURRENT

Prepayments

427,314

932,447

Bonds

667,144

680,314

1,094,458

1,612,761

9 Property, Plant and Equipment

PLANT AND EQUIPMENT

Capital works in progress

Capital Works in Progress

649,566

-

Furniture, fixture and fittings

At cost

639,834

652,026

Accumulated depreciation

(480,901)

(446,798)

Total furniture, fixture and fittings

158,933

205,228

Motor vehicles

At cost

113,423

115,653

Accumulated depreciation

(92,075)

(82,153)

Total motor vehicles

21,348

33,500

Computer equipment

At cost

2,045,166

2,141,852

Accumulated depreciation

(1,247,859)

(1,468,093)

Total computer equipment

797,307

673,759

Leasehold Improvements

At cost

1,639,514

1,628,325

Accumulated depreciation

(1,029,722)

(894,873)

Total leasehold improvements

609,792

733,452

Total property, plant and equipment

2,236,946

1,645,939

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Intangible Assets	2022	2021
	\$	\$
Computer software		
At cost	440,215	440,215
Accumulated amortisation and impairment	(235,644)	(88,906)
Net carrying value	204,571	351,309
Intangible assets under development		
At cost	2,678,982	-
<p>Intangible Assets represents investment in multiple IT system platform builds.</p>		
11 Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Trade payables	1,634,348	1,294,874
GST payable	13,178	135,049
Accrued expenses	1,780,261	1,553,328
	3,427,787	2,983,251
12 Income in Advance		
CURRENT		
Income in advance	18,299,318	21,449,974
13 Employee Benefits		
CURRENT		
Long service leave	972,017	987,685
Annual leave	2,818,834	2,528,516
	3,790,851	3,516,201
NON-CURRENT		
Long service leave	433,323	144,093

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Surplus/(deficit) for the year	630,943	1,559,159
Non-cash flows in surplus/(deficit):		
- depreciation	1,700,514	2,359,634
- net (gain) / loss on disposal of property, plant and equipment	-	13,291
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(776,279)	875,601
- (increase)/decrease in other assets	518,303	(196,157)
- (increase)/decrease in inventories	-	32,772
- increase/(decrease) in income in advance	(3,150,656)	11,883,660
- increase/(decrease) in trade and other payables	444,536	(266,465)
- increase/(decrease) in employee benefits	563,880	618,836
Cashflow from operations	<u>(68,759)</u>	<u>16,880,331</u>

15 Additional information relating to fundraising under the Charitable Fundraising Act 1991

Good Shepherd Australia New Zealand received donations from the general public, corporate organisations and charitable trusts. Direct mail fundraising appeals conducted during the year were: Christmas appeal, tax appeal and Shepherd's Voice newsletter appeal.

Funds were used to supplement Government assistance in funding Good Shepherd Australia New Zealand's programs. Good Shepherd Australia New Zealand's core services include microfinance, family violence services; child, family and youth support services; education; and financial counselling services.

Description Title

Direct Mail Fundraising Appeals	199,418	118,072
General Donations	57,197	176,979
Charitable Trusts	229,687	492,899
Bequests	214,323	21,094
Other Fundraising Income	-	1,000
Total Fundraising Income	700,625	810,044
Direct Mail Fundraising Appeal Costs	(7,312)	(9,307)
Other Fundraising Costs	(134,217)	(227,554)
Total Fundraising Costs	(141,529)	(236,861)
	<u>559,096</u>	<u>573,183</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 Events Occurring After the Reporting Date

The financial report was authorised for issue on _____ by the board of directors.

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to business and economic activity. Subsequent to balance date, the impacts of COVID-19 continue to be felt by the community and businesses, particularly Victoria which operated under Stage 6 lockdown restrictions for an extended period.

As the situation remains fluid (due to evolving changes in government policy and evolving business and community reactions thereto) as at the date of these financial statements are authorised for issue, the Directors considered that the financial effects of COVID-19 on the financial statements could not be reasonably estimated for future financial periods.

Good Shepherd Australia New Zealand has seen an increase in demand for services and associated funding to deliver services to affected members of the community.

Good Shepherd Australia New Zealand did not pursue JobKeeper subsidy even though it may have been eligible under the legislation on ethical and moral grounds.

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

17 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2022 (30 June 2021:None).

18 Entity Details

The registered office of and principal place of business of the Group is:

Good Shepherd Australia New Zealand
53 Abbotsford Street
Abbotsford, VIC 3067

Responsible Entities' Declaration

The directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Group declare that:

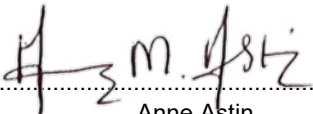
1. The financial statements and notes, as set out on pages 10 to 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Declaration under the *Charitable Fundraising Act 1991* (the "Act")

The Directors of the Group declare that:

- i) the Statement of Comprehensive Income gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals;
- ii) the Statement of Financial Position gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals;
- iii) the provisions and regulations of the *Charitable Fundraising Act 1991* and the conditions attached to the authority to fundraise have been complied with by the Group; and
- iv) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from any of its fundraising activities.

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

Director 
Anne Astin

Director 
Anthony Healy

Dated 13 October 2022

Good Shepherd Australia New Zealand

Independent Audit Report to the members of Good Shepherd Australia New Zealand

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Good Shepherd Australia New Zealand (the Group), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1.

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 are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the Group, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in Directors' Report. 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 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 on the other information obtained prior to the date of this auditor's report, 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.

Independent Audit Report to the members of Good Shepherd Australia New Zealand

Responsibilities of Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine necessary 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.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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 Group'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 Group'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 Group to cease to continue as a going concern.
- 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.

Independent Audit Report to the members of Good Shepherd Australia New Zealand

Report on the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the *Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulations 2015*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of noncompliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion on the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulations 2015

In our opinion:

- (a) the financial report of Good Shepherd Australia New Zealand has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2022, in all material respects, in accordance with:
 - (i) sections 20(1), 22(1-2), 24(1-3) of the *Charitable Fundraising Act 1991*; and
 - (ii) sections 10(6) and 11 of the *Charitable Fundraising Regulations 2015*;
- (b) The money received as a result of fundraising appeals conducted by the entity during the financial year ended 30 June 2022 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations



ACCRU MELBOURNE (AUDIT) PTY LTD



R A LANE
Director

13 October 2022