

CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023**

**Liability limited by a scheme approved under
Professional Standards Legislation**

CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149

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CFA SOCIETY OF MELBOURNE INC.

ABN: 33 080 559 149

COMMITTEE'S REPORT

Your Committee members submit the financial report of the CFA Society of Melbourne Inc. for the financial year ended 30 June 2023.

Committee Members

The names of Committee members throughout the year and at the date of this report are:

Louise Farmakis (President)
Nick Gill (Vice President)
Linda Trusler (Secretary)
Brett Elvish (Treasurer)
Winnie Wong (University Engagement)
James Harman (Professional Learning)
Marco Fantozzi (Candidate Engagement)
Shangitha Rajendram (Member Engagement)
Asjeet Lamba (retired 23 November 2022)
Jemima Joseph (retired 23 November 2022)
Robert Fowler (retired 23 November 2022)
Inna Zorina (Past President)

Principal Activities

The principal activities of the Association during the year were the operation of a professional association for the provision of member services, education and training to members and potential members.

Significant Changes

CFA Society of Melbourne Inc and CFA Society of Sydney Incorporated are currently exploring the opportunity to merge to create CFA Society Australia. The recommendation to form CFA Society Australia requires member approval and will be put to the membership as a special resolution at the 2023 CFA Society of Melbourne Inc Annual General Meeting in November 2023.

Operating Result

The surplus after providing for income tax amounted to \$23,015.

Signed in accordance with a resolution of the members of the Committee.

Committee Member:

Designated by:
Louise Farmakis
738040405218246C

Louise Farmakis

Committee Member:

Brett Elvish

Dated this^{11TH} day of October 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
REVENUE			
Candidate services		2,813	2,611
CFA Institute funding		206,220	206,511
Membership subscriptions		90,166	86,729
Member events		28,969	27,359
		328,168	323,210
OTHER REVENUE			
Income from investments		8,172	410
		336,340	323,620
EXPENDITURE			
Services expenses		61,116	34,248
Charterholder expenses		11,645	11,968
Administration expenses		26,210	38,478
CFAA Contribution		63,300	49,568
Personnel expenses		137,689	128,431
		299,960	262,693
Surplus before income tax		36,380	60,927
Income tax expense	6	13,365	13,427
Surplus after income tax		23,015	47,500
Retained surplus at the beginning of the financial year		713,775	666,275
Retained surplus at the end of the financial year		736,790	713,775

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	797,171	758,164
Other current assets	8	-	1,545
TOTAL CURRENT ASSETS		<u>797,171</u>	<u>759,709</u>
TOTAL ASSETS		<u>797,171</u>	<u>759,709</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	33,781	31,290
Tax liabilities	10	3,095	-
Other current liabilities	11	23,505	14,644
TOTAL CURRENT LIABILITIES		<u>60,381</u>	<u>45,934</u>
TOTAL LIABILITIES		<u>60,381</u>	<u>45,934</u>
NET ASSETS		<u>736,790</u>	<u>713,775</u>
EQUITY			
Retained earnings	12	736,790	713,775
TOTAL EQUITY		<u>736,790</u>	<u>713,775</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained earnings \$	Total \$
Balance at 1 July 2021		666,275	666,275
Profit attributable to members		47,500	47,500
Balance at 30 June 2022		713,775	713,775
Profit attributable to members		23,015	23,015
Balance at 30 June 2023		736,790	736,790

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

		2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & members		337,029	325,025
Payments to suppliers and employees		(296,104)	(236,905)
Interest received		8,172	410
Income tax paid		(10,088)	(3,688)
Net cash provided by operating activities	13	<u>39,008</u>	<u>84,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(2,960)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(2,960)</u>
Net increase in cash held		39,008	81,881
Cash at beginning of financial year		758,163	676,282
Cash at end of financial year	7	<u><u>797,171</u></u>	<u><u>758,163</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The financial statements cover CFA Society of Melbourne Inc. as an individual entity. CFA Society of Melbourne Inc. is a not for profit association incorporated in VIC under the Associations Incorporation Reform Act 2012 ('the Act').

The principal activities of the Association for the year ended 30 June 2023 the operation of a professional association for the provision of member services, education and training to members and potential members.

The functional and presentation currency of CFA Society of Melbourne Inc. is Australian dollars. Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

The financial report was authorised for issue by the Committee of Management on 11/10/2023

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board and the Act.

2 Statement of Compliance

The Association does not have public accountability as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the Tier 2 reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

3 Information about the Association

The Association is a not for profit association incorporated in Victoria under the Associations Incorporation Reform Act 2012.

The registered office of the Association is:

Suite 327, 585 Little Collins Street, Melbourne VIC 3000

The principal place of business of the Association is:

Suite 327, 585 Little Collins Street, Melbourne VIC 3000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The nature of the Association's operations and its principal activities are operation of a professional association for the provision of member services, education and training to members and potential members.

3 Summary of Significant Accounting Policies

Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Member income of the Association is tax exempt under the principle of mutuality.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include trade creditors and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Impairment of Non-Financial Assets

At the end of each reporting period the association determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

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. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

CFA Institute Funding

Revenue from CFA Institute funding is recognised as income when received.

Member Subscriptions

Membership subscriptions received in advance are recognised as income at the start of the subscription period. All other membership subscriptions are recognised as income when they are received.

Other income

Other income is recognised on an accruals basis when the association is entitled to it.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Critical Accounting Estimates and Judgements

The committee members 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.

Key estimates - Key Estimates - Impairment Testing

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

The financial report was authorised for issue on 11 October 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
4 Revenue and Other Income		
Revenue		
Candidate services	2,813	2,611
CFA Institute funding	206,220	206,511
Membership subscriptions	90,166	86,729
Member events	28,969	27,359
Income from investments	8,172	410
	<u>336,340</u>	<u>323,620</u>
Income From Investments		
Interest Income	<u>8,172</u>	<u>410</u>
5 Auditor's Remuneration		
Audit of the Financial Report	<u>500</u>	<u>627</u>
	<u>500</u>	<u>627</u>
6 Income Tax Expense		
The components of tax expense comprise:		
Income tax expense	<u>13,365</u>	<u>13,427</u>
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 25% (2022: 25%):	9,095	15,232
Add:		
Tax effect of:		
Non-deductible expenses	<u>28,190</u>	<u>22,177</u>
	37,285	37,409
Less:		
Tax effect of:		
Exempt member income	23,921	23,981
Income tax expense attributable to association	<u>13,365</u>	<u>13,427</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
7 Cash and Cash Equivalents		
Operating account	3,119	2,679
Cash reserve account	621,083	584,292
Cash at Bank	5,303	5,522
Term Deposits	167,666	165,671
	<u>797,171</u>	<u>758,164</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>797,171</u>	<u>758,163</u>
	<u>797,171</u>	<u>758,163</u>
8 Other Assets		
Current		
Income Tax Receivable	-	181
Prepayments	-	1,364
	<u>-</u>	<u>1,545</u>
9 Accounts Payable and Other Payables		
Current		
Sundry Creditors	142	-
Trade Creditors	290	84
Accrued Charges	19,296	13,162
GST Payable	4,039	5,987
PAYG Withholdings	7,353	6,915
Provision for Annual Leave	2,661	5,142
	<u>33,781</u>	<u>31,290</u>

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
10 Tax		
Liabilities		
Current		
Provision for Income Tax	3,095	-
11 Other Liabilities		
Current		
Member Prepaid Subscriptions	22,771	13,181
Unearned Income	-	1,463
Prepaid Review Courses	734	-
	<u>23,505</u>	<u>14,644</u>
12 Retained Surplus		
Retained surplus at the beginning of the financial year	713,775	666,275
Surplus attributable to the Association	23,015	47,500
Retained surplus at the end of the financial year	<u>736,790</u>	<u>713,775</u>
13 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities.		
Reconciliation of net income to net cash provided by operating activities:		
Profit after income tax	23,015	47,500
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	-	2,960

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Changes in assets and liabilities		
(Increase) Decrease in current receivables	1,545	9,740
(Increase) Decrease in prepayments	-	(475)
Increase (Decrease) in current payables	2,493	23,303
Increase (Decrease) in current provisions	3,095	-
Increase (Decrease) in unearned income	8,860	1,813
	<u>39,008</u>	<u>84,841</u>

14 Financial Risk Management

The association is exposed to a variety of financial risks through its use of financial instruments.

The association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The association does not have any derivative instruments at 30 June 2023.

The association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

15 Key Management Personnel

Short-term employee benefits

Aggregated remuneration of key management personnel

	109,142	64,707
Total compensation	<u>109,142</u>	<u>64,707</u>

16 Related Party Transactions

There were no transactions with related parties during the financial year

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17 Contracted Commitments

The Society has no contracted commitments that have not been disclosed in the financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
18 Contingent Liabilities		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Contingent Liabilities		
The Association has no known contingent liabilities that are not recognised in the Statement of Financial Position or disclosed in the Notes to the Financial Statements	-	-
19 Events After the Reporting Period		
CFA Society of Melbourne Inc and CFA Society of Sydney Incorporated are currently exploring the opportunity to merge to create CFA Society Australia. The recommendation to form CFA Society Australia requires member approval and will be put to the membership as a special resolution at the 2023 CFA Society of Melbourne Inc Annual General Meeting in November 2023.		
There have been no other significant financial events that have occurred from balance date until the date the financial statements were issued.		
20 Segment Reporting		
The association operates predominately in one business and geographical segment, being the professional association sector in Australia.		
21 Statutory Information		
The registered office of the association is:		
Suite 327, 585 Little Collins Street, Melbourne VIC 3000		
The principal place of business is:		
Suite 327, 585 Little Collins Street, Melbourne VIC 3000		

CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the Committee the financial statements as set out on pages 1 to 18:

1. Presents fairly the financial position of CFA Society of Melbourne Inc. as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that CFA Society of Melbourne Inc. will be able to pay its debts as and when they fall due.


This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President:

DocuSigned by:
Louise Farmakis
738D64D5218246C

Louise Farmakis

Treasurer:


Brett Elvish

Dated thisTH11..... day of October 2023

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149**

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of CFA Society of Melbourne Inc. (the association) which comprises the statement of financial position as at 30 June 2023 and the statement of 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 other explanatory information, and management's assertion statement.

In my opinion, the association has kept such financial records as are necessary to enable financial statements to be prepared in accordance with Australian Accounting Standards, and the accompanying financial report of the association for the year ended 30 June 2023 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the auditor independence requirements of 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the association'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 management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

My 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 the 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 this financial report.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149**

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 my 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 I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I 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 I identify during my audit.

I also provide the directors with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CFA SOCIETY OF MELBOURNE INC.
ABN: 33 080 559 149**

Name of Firm: Edward T Conrick
Chartered Accountant

Name of Principal:


Edward Conrick

Address: PO Box 1329, Bondi Junction NSW 202

Dated this 28th **day of September 2023**