



Beyond Zero Emissions Inc

Financial Report

ABN 25 105 510 898

30 June 2022

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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue	2	1,420,514	554,800
Other Income	2	1,614,784	2,861,508
Total revenue and other income		3,035,298	3,416,308
Finance & Governance		(184,707)	(32,147)
General Operations		(89,978)	(101,390)
Communications & Marketing	3	(222,791)	(8,392)
Fundraising		(165,689)	(142,395)
Project Costs		(350,207)	(375,942)
Employee Benefits		(1,886,392)	(1,446,994)
Net surplus/(deficit) for the year		135,534	1,309,048
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		135,534	1,309,048
Net surplus for the year is attributable to:			
Members of the association		135,534	1,309,048
		135,534	1,309,048
Total comprehensive income / (loss) for the year is attributable to:			
Members of the association		135,534	1,309,048
		135,534	1,309,048

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5	3,188,195	3,035,652
Accounts receivable and other debtors	6	6,856	3,998
Total current assets		3,195,051	3,039,650
Non-current assets			
Property, plant and equipment	7	-	3,257
Total non-current assets		-	3,257
Total assets		3,195,051	3,042,907
Current liabilities			
Accounts payable and other payables	8	41,150	56,943
Employee provisions	9	98,216	65,269
Current tax (activity statement) liabilities		(226)	8,528
Total current liabilities		139,140	130,740
Non-current liabilities			
Employee provisions	9	14,874	6,663
Total non-current liabilities		14,874	6,663
Total liabilities		154,014	137,403
Net assets		3,041,037	2,905,504
Equity			
Retained earnings		3,041,037	2,905,504
Total equity		3,041,037	2,905,504

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2022

	Notes	Retained Surplus	Total
		\$	\$
Balance at 1 July 2020		1,596,455	1,596,455
Comprehensive income			
Net surplus for the year		1,309,048	1,309,048
Other comprehensive income for the year:		-	-
Total comprehensive income attributable to members of the association for the year		1,309,048	1,309,048
Balance at 30 June 2021		2,905,503	2,905,503
Balance at 1 July 2021		2,905,503	2,905,503
Comprehensive income			
Net surplus for the year		135,534	135,534
Other comprehensive income for the year:			
Total other comprehensive income			
Total comprehensive income attributable to members of the association for the year		135,534	135,534
Balance at 30 June 2022		3,041,037	3,041,037

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Contributions (members) received		1,518	2,105
Grants received		1,365,422	525,939
Receipts from Consulting Income		51,887	26,756
Donations received		1,604,211	2,857,054
Payments to suppliers and employees		<u>(2,874,871)</u>	<u>(2,038,256)</u>
Net cash flows from operating activities		148,167	1,373,598
Cash flows from investing activities			
Acquisition of plant and equipment		<u>-</u>	<u>(3,272)</u>
Net cash flows used in investing activities		-	(3,272)
Cash flows from financing activities			
Interest received		<u>4,376</u>	<u>4,864</u>
Net cash flows used in financing activities		4,376	4,864
Net increase/(decrease) in cash and cash equivalents held		152,543	1,375,190
Cash and cash equivalents at the beginning of the financial year		3,035,652	1,660,462
Cash and cash equivalents at the end of the financial year	5	<u>3,188,195</u>	<u>3,035,652</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2022

1. Statement of significant accounting policies

Association Details

The principal purpose of the Association is a climate change solutions think tank dedicated to the achievement of a safe climate for the future of life on earth. The financial statements were authorised for issue on 13 October 2022 by the committee.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Reform Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

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

b. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including office equipment, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of Fixed Asset - Plant and equipment - 20-50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Notes to the Financial Statements

for the year ended 30 June 2022

c. Employee Provisions

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

f. Revenue and Other Income

Revenue recognition

Operating Grants, Donations and Bequests

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations. Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:
- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, or revenue);
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Notes to the Financial Statements

for the year ended 30 June 2022

Capital Grant

When the Association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, or revenue) recognised under other Australian Accounting Standards.

The Association recognises income in profit or loss when or as the Association satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Association recognises dividends in profit or loss only when the right to receive payment of the dividend is established.

Revenue from sale of good

The Association publishes and sells books and magazines publications to the general public. Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers. Volume discounts could be provided with the sale of these items, depending on the volume of aggregate sales made to eligible customers over every six-month period. Revenue from these sales is based on the price stipulated in the contract, net of the estimated volume discounts. The volume discounts are estimated using historical experience and applying the expected value method. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur. Where there is expected volume discounts payable to the customers for sales made until the end of the reporting period, a contract liability is recognised.

A receivable will be recognised when the goods are delivered. The Association's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales (which include those with volume discounts) are made within a credit term of 30–45 days.

Customers have a right to return products within 60 days as stipulated in the current contract terms. At the point of sale, a refund liability is recognised based on an estimate of the products expected to be returned, with a corresponding adjustment to revenue for these products.

Consistent with the recognition of the refund liability, the Association further has a right to recover the product when customers exercise their right of return, so consequently the company recognises a right to returned goods asset and a corresponding adjustment is made to cost of sales.

Historical experience of product returns is used to estimate the number of returns on a portfolio level, using the expected value method. It is considered highly probable that significant reversal in the cumulative revenue will not occur given the consistency in the rate of return presented in the historical information.

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

g. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

h. 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Notes to the Financial Statements

for the year ended 30 June 2022

i. Comparative Figures

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

j. Leases

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

k. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Key Estimates and judgments

(i) Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

m. Key Judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

n. New and Amended Accounting Policies Adopted by the Company

Initial adoption of AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Association has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

2. Revenue and other income

The Association's main sources of funding comprise of grants and donations

Grants

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, and 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. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements

for the year ended 30 June 2022

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grant monies as unearned grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

Donations

The Association receives general and specific donations, fundraising income and bequests are recognised as revenue when received. Donations, fundraising income and bequests received in kind are ascribed a value and recognised as revenue when received.

2. Revenue and other income

	2022	2021
	\$	\$
Consulting Fees	53,574	26,756
Revenue from grants	1,365,422	525,939
Membership Fees	1,518	2,105
Total revenue	1,420,514	554,800
Donations received	1,610,439	2,857,554
Interest received	4,345	3,954
Total other income	1,614,784	2,861,508
Total revenue and other income	3,035,298	3,416,308

3. Surplus for the year

	2022	2021
	\$	\$
Employee provisions expense:		
Contributions to defined contribution superannuation funds	148,893	118,031
Other expenses:		
Advertising and promotional expenditures incurred to promote activities of the association (Communications & Marketing)	222,791	8,392

4. Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

	2022	2021
	\$	\$
Key management personnel compensation	326,123	248,772

5. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank – unrestricted	1,584,283	2,711,433
Undeposited Funds	-	24,072
Short-term investments – bank deposits	1,603,912	300,146
	3,188,195	3,035,651

Note

Notes to the Financial Statements

for the year ended 30 June 2022

Reconciliation of cash

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

Cash and cash equivalents	<u><u>3,118,195</u></u>	3,035,651
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6. Accounts Receivable and other Debtors

	Note	2022	2021
		\$	\$
CURRENT			
Prepayments		-	3,467
Other debtors		<u>6,856</u>	531
Total current accounts receivable and other debtors		<u><u>6,856</u></u>	<u>3,998</u>

7. Property, Plant and Equipment

	2022	2021
	\$	\$
Plant and equipment:		
At cost	-	3,272
Accumulated depreciation	-	<u>(15)</u>
	-	<u>3,257</u>
Total property, plant and equipment	-	<u><u>3,257</u></u>
		\$
Balance at 1 July 2020		-
Disposals		
Depreciation expense		<u>(15)</u>
Carrying amount at 30 June 2021		<u><u>3,257</u></u>
Additions		
Disposals		
Write down of carrying value		<u>(3,257)</u>
Depreciation expense		
Carrying amount at 30 June 2022		<u><u>-</u></u>

8. Accounts Payable and Other Payables

	Note	2022	2021
		\$	\$
CURRENT			
Accounts payable		<u>6,020</u>	2,658
Accrued expenses		<u>35,130</u>	54,285
		<u><u>41,150</u></u>	<u>56,943</u>

The average credit period on accounts payable and other payables is one month. No interest is payable on outstanding payables during this period.

Notes to the Financial Statements

for the year ended 30 June 2022

9: Employee provisions

	Note	2022	2021
		\$	\$
CURRENT			
Provision for annual leave entitlements		<u>97,446</u>	61,651

\$

Analysis of employee provisions – annual leave entitlements

Opening balance at 1 July 2021	61,651
Additional provisions	130,495
Amounts used	<u>(94,700)</u>
Balance at 30 June 2022	<u>97,446</u>

Employee provisions – annual leave entitlements

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association expects the full amount of the annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

	2022	2021
	\$	\$
CURRENT		
Provision for long service entitlements	<u>-</u>	3,618
NON - CURRENT		
Provision for long service entitlements	<u>14,874</u>	6,663
Total long service entitlements	<u>14,874</u>	<u>10,281</u>

\$

Analysis of employee provisions – long service entitlements

Opening balance at 1 July 2021	10,281
Additional provisions	8,029
Amounts used	<u>(3,436)</u>
Balance at 30 June 2022	<u>14,874</u>

Employee provisions – annual leave entitlements

The provision for employee benefits represents amounts accrued for long service leave.

The association does not expect the amount of the annual leave balance to be settled within the next 12 months.

10. Events after the reporting period

Other than the following, the committee is not aware of any significant events since the end of the reporting period.

Beyond Zero Emissions Inc Management Board has approved the transition of Beyond Zero Emission from an Incorporated Association in Victoria to a Company Limited by Guarantee. This transition will occur in FY2023.

Notes to the Financial Statements

for the year ended 30 June 2022

11. Financial risk management

	Note	2022 \$	2021 \$
Financial assets			
cash and cash equivalents	5	3,188,195	3,035,652
accounts receivable and other debtors	6	6,856	3,998
Total financial assets		3,195,051	3,039,650
Financial liabilities			
Financial liabilities at amortised cost:			
accounts payable and other payables	8	41,150	56,943
Total financial liabilities		41,150	56,943

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

12. Association Details

The registered office of the association is:

Beyond Zero Emissions
 247 Flinders Lane
 Melbourne Victoria 3000

The principal place of business is:

Beyond Zero Emissions
 247 Flinders Lane
 Melbourne Victoria 3000

13. Auditor's Remuneration

	2022 \$	2021 \$
Remuneration of the auditor:		
Sean Denham & Associates - for auditing or reviewing the financial statements.	5,500	4,000

BEYOND ZERO EMISSIONS INC.
ABN 48 554 925 975

**RESPONSIBLE PERSONS' DECLARATION
FOR THE YEAR ENDED
30 JUNE 2022**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Geoff Summerhayes

Name: Geoff Summerhayes
Chairperson
Dated: 13/10/2022

Phillip Vernon

Name: Phillip Vernon
Chair – Finance, Audit & Risk Committee
Dated: 13/10/2022



SEAN DENHAM
& ASSOCIATES

Independent audit report to the members of Beyond Zero Emissions Inc
Report on the Audit of the Financial Report Opinion

I have audited the accompanying financial report, being a simplified disclosure financial report of Beyond Zero Emissions Inc. (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Responsible persons' declaration.

In my opinion, the accompanying financial report of the Association for the year ended 30 June 2022 is prepared, in all material respects, in accordance with the Australian Accounting Standards - Simplified Disclosures.

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 Entity 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 efficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in complying with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the Association and should not be distributed to or used by parties other than the Association. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, 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.

Auditors Responsibilities 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 my 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. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I 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 Association 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible persons.
- Conclude on the appropriateness of the responsible persons' 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 Association 's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my 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 Association 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 responsible persons 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 responsible persons 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the responsible persons, I determine those matters that are 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 precludes 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.



Sean Denham

Dated: 7th November 2022

Sean Denham & Associates Pty Ltd
Suite 1, 707 Mt. Alexander Road
Moonee Ponds Vic 3039

Auditor's independence declaration to the responsible persons of Beyond Zero Emissions Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

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



Sean Denham

Dated: 7th November 2022

Sean Denham & Associates Pty Ltd
Suite 1, 707 Mt. Alexander Road
Moonee Ponds Vic 3039