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**FREMANTLE SURF LIFE SAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

**I N D E X**

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**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**DIRECTORS REPORT**

Your directors submit the financial report of Fremantle Surf Lifesaving Club Inc for the year ended 31 March 2022.

**Board members**

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

Jack Dowie - President  
Tracey Irving - Director of Surf Sports  
Jette Oksis – Director of Administration  
Liam Burke – Director of Lifesaving & Education  
Marcin Gabriel – Director of Development  
Henny Smith – Director of Finance  
Jay Morgan – Club Captain

**Principal activities**

The principal activities of the association during the financial year were to provide surf lifesaving training and services to members and the community.

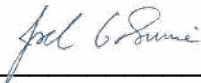
**Significant changes**

No significant change in the nature of these activities occurred during the period.

**Operating result**

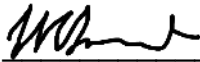
The profit from ordinary activities amounted to \$150,304 (2020 -\$123,122).

Signed in accordance with a resolution of the board of directors.



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President



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Director of Finance

Dated: **1 June 2022**

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Perth, Western Australia

**FREMANTLE SURF LIFESAVING CLUB INC**  
A.B.N. 34 048 412 533

**INCOME & EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|   | 2022           | 2021           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Income</b>                             |                |                |
| Sales – bar, canteen & uniform shop       | 89,644         | 80,253         |
| Membership fees                           | 232,988        | 225,900        |
| Donations                                 | 76,995         | 40,281         |
| Education                                 | 9,952          | 17,357         |
| Sponsorship                               | 94,048         | 71,748         |
| Grants received                           | 33,000         | 5,000          |
| Government Stimulus                       | -              | 49,000         |
| Lifesaving services                       | 2,857          | 9,874          |
| Interest received                         | 785            | 1,873          |
| Competition                               | 11,718         | 12,219         |
| Camp fees                                 | 13,715         | 13,641         |
| Club rental & hire income                 | 46,478         | 24,882         |
| Sub lease expense recoupment              | 25,503         | 12,206         |
| Subsidies income                          | -              | 800            |
| Social & fundraising                      | 26,737         | 21,821         |
| Prepaid building lease income             | 141,914        | 141,914        |
| Sundry                                    | 1,768          | 11,791         |
|   | <u>808,102</u> | <u>740,560</u> |
| <b>Expenses</b>                           |                |                |
| COGS – Bar, canteen, uniform shop         | 79,988         | 69,836         |
| Administration & payroll expenses         | 146,922        | 145,410        |
| Lifesaving & Education expenses           | 13,729         | 17,785         |
| Juniors & Youth expenses                  | 8,306          | 12,400         |
| Vehicle and equipment expenses            | 33,965         | 34,614         |
| Competition expenses                      | 39,918         | 31,264         |
| Direct costs membership fees              | 25,946         | 25,189         |
| Depreciation - building                   | 93,520         | 93,520         |
| Depreciation – other                      | 46,966         | 36,514         |
| Social & fundraising & marketing expenses | 16,041         | 19,210         |
| Building related expenses                 | 150,666        | 122,721        |
| Premises hire expenses                    | 1,831          | 1,145          |
| Other expenses                            | -              | 7,830          |
|   | <u>657,798</u> | <u>617,438</u> |
| <b>Total expenses</b>                     |                |                |
|   | <u>657,798</u> | <u>617,438</u> |
| <b>Surplus for the year</b>               | <u>150,304</u> | <u>123,122</u> |

The accompanying notes form part of these financial statements

**FREMANTLE SURF LIFESAVING CLUB INC**  
A.B.N. 34 048 412 533

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

|                                      | Note | 2022<br>\$       | 2021<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash & cash equivalents              | 3    | 570,169          | 431,484          |
| Accounts receivables                 | 4    | 35,495           | 58,510           |
| Inventories                          | 5    | 90,440           | 51,083           |
| Other receivables                    | 6    | 31,445           | 10,409           |
|                                      |      | <u>727,549</u>   | <u>551,486</u>   |
| <b>TOTAL CURRENT ASSETS</b>          |      |                  |                  |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Property, plant & equipment          | 7    | 2,994,967        | 3,108,377        |
|                                      |      | <u>2,994,967</u> | <u>3,108,377</u> |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      |                  |                  |
|                                      |      | <u>3,722,516</u> | <u>3,659,863</u> |
| <b>TOTAL ASSETS</b>                  |      |                  |                  |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Accounts payable and other payables  | 8    | 120,903          | 62,452           |
| Employee provisions                  | 9    | 17,535           | 17,596           |
|                                      |      | <u>138,438</u>   | <u>80,048</u>    |
| <b>TOTAL CURRENT LIABILITIES</b>     |      |                  |                  |
| <b>NON CURRENT LIABILITIES</b>       |      |                  |                  |
| Other liabilities                    | 10   | 1,135,311        | 1,277,225        |
|                                      |      | <u>1,135,311</u> | <u>1,277,225</u> |
| <b>TOTAL NON CURRENT LIABILITIES</b> |      |                  |                  |
|                                      |      | <u>1,273,749</u> | <u>1,357,273</u> |
| <b>TOTAL LIABILITIES</b>             |      |                  |                  |
|                                      |      | <u>2,448,767</u> | <u>2,302,590</u> |
| <b>NET ASSETS</b>                    |      |                  |                  |
| <b>MEMBERS' FUNDS</b>                |      |                  |                  |
| Retained surplus                     | 11   | 2448,767         | 2,302,590        |
|                                      |      | <u>2,448,767</u> | <u>2,302,590</u> |
| <b>TOTAL MEMBERS' FUNDS</b>          |      |                  |                  |

The accompanying notes form part of these financial statements

FREMANTLE SURF LIFESAVING CLUB INC  
A.B.N. 34 048 412 533

STATEMENT OF CHANGES IN EQUITY  
AS AT 31 MARCH 2022

|                          | Retained<br>Surplus<br>\$ | Total<br>\$ |
|--------------------------|---------------------------|-------------|
| Balance at 1 April 2020  | 2,179,468                 | 2,179,468   |
| Surplus for year         | 123,122                   | 123,122     |
|                          | <hr/>                     | <hr/>       |
| Balance at 31 March 2021 | 2,302,590                 | 2,302,590   |
|                          | <hr/> <hr/>               | <hr/> <hr/> |
| Balance at 1 April 2021  | 2,302,590                 | 2,302,590   |
| Surplus for year         | 150,304                   | 150,304     |
| Prior year adjustment    | (4,127)                   | (4,127)     |
|                          | <hr/>                     | <hr/>       |
| Balance at 31 March 2022 | 2,448,767                 | 2,448,767   |
|                          | <hr/> <hr/>               | <hr/> <hr/> |

The accompanying notes form part of these financial statements

**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>Cash from operating activities</b>         |             |             |
| Receipts from members, sponsors and customers | 688,418     | 579,808     |
| Payments to suppliers and employees           | (519,315)   | (432,357)   |
| Interest received                             | 785         | 1,873       |
|   | <hr/>       | <hr/>       |
| Net cash provided by operating activities     | 165,761     | 149,324     |
|   | <hr/>       | <hr/>       |
| <b>Cash flows from investing activities</b>   |             |             |
| Net purchase of plant & equipment             | (27,076)    | (68,423)    |
|   | <hr/>       | <hr/>       |
| Net cash used in investing activities         | (27,076)    | (68,423)    |
|   | <hr/>       | <hr/>       |
| <b>Net cash (decrease) in cash held</b>       | 138,685     | 80,901      |
| Cash at beginning of financial year           | 431,484     | 350,583     |
|   | <hr/>       | <hr/>       |
| Cash at end of financial year                 | 570,169     | 431,484     |
|   | <hr/>       | <hr/>       |

The accompanying notes form part of these financial statements

**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Note 1: Statement of significant accounting policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Western Australia. The board has determined that the association is not a reporting entity.

The report, except for the cash flow information, has been prepared on an accruals basis in that it accounts for debtors, creditors, employee provisions and prepaid building lease income, but has not included other accruals and prepayments in order to be consistent with year accounting treatment. The report is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

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

**(a) Income tax**

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

**(b) Property, plant and equipment**

*Property*

Freehold land and buildings are measured at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

*Plant and equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values determining recovering amounts.



**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Note 1: Statement of significant accounting policies (continued)**

*Depreciation*

The depreciable amount of all fixed assets, excluding land and buildings, are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease of the estimated useful lives of the improvements.

**(c) Cash on hand**

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

**(d) Accounts receivable and other debtors**

Accounts receivable and other debtors includes amounts due from customers. Receivable expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivable are classified as non-current assets.

**(e) Revenue and other income**

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

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Cash receipts are recognised as income when they are deposited into the bank account

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

**(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 Australia 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 assets and liabilities statement.

**(g) Accounts payable and other payables**

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

**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE TWELVE MONTHS ENDED 31 MARCH 2022**

**Note 1: Statement of significant accounting policies (continued)**

**(h) Employee provisions**

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

**(i) Leases**

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

**(j) Impairment of assets**

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement

**(k) Inventories on hand**

Inventories are measured at the lower of cost or net realisable value.

**FREMANTLE SURF LIFESAVING CLUB INC**  
A.B.N. 34 048 412 533

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|   | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| <b>Note 3: Cash at bank</b>                             |             |             |
| Cheque account  | 250,044     | 112,936     |
| Cash management account                                 | 59,196      | 59,248      |
| Credit card account                                     | 836         | (16)        |
| Prime rescue account                                    | 5,153       | 5,153       |
| Term deposit – Building fund                            | 164,477     | 164,266     |
| Term deposit – General reserves                         | 90,223      | 89,657      |
| Cash floats   | 240         | 240         |
|   | 570,169     | 431,484     |
|   | 570,169     | 431,484     |
| <b>Note 4: Accounts receivables &amp; other debtors</b> |             |             |
| Trade debtors   | 35,495      | 58,510      |
|   | 35,495      | 58,510      |
|   | 35,495      | 58,510      |
| <b>Note 5: Inventories</b>                              |             |             |
| Bar   | 2,903       | 2,212       |
| Canteen   | 154         | 154         |
| Uniform shop  | 85,483      | 46,317      |
| FMSLSC number plates                                    | 1,900       | 2,400       |
|   | 90,440      | 51,083      |
|   | 90,440      | 51,083      |
| <b>Note 6: Other receivables</b>                        |             |             |
| GST refund due  | 8,928       | 6,490       |
| Prepayments   | 14,517      | 3,919       |
| Accrued income  | 8,000       | -           |
|   | 31,445      | 10,409      |
|   | 31,445      | 10,409      |

**FREMANTLE SURF LIFESAVING CLUB INC**  
A.B.N. 34 048 412 533

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | \$          | \$          |
| <b>Note 7: Property, plant &amp; equipment</b> |             |             |
| Building at cost                               | 3,740,822   | 3,740,822   |
| Less accumulated depreciation                  | 934,045     | 840,525     |
|  | 2,806,777   | 2,900,297   |
| Plant & equipment at cost                      | 739,106     | 719,177     |
| Less accumulated depreciation                  | 550,916     | 511,097     |
|  | 188,190     | 208,080     |
| Total property, plant and equipment            | 2,994,967   | 3,108,377   |

**(a) Movements in carrying amounts**

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

|                                      | <b>Buildings</b> | <b>Plant &amp; equipment</b> | <b>Motor vehicle</b> | <b>Total</b> |
|--------------------------------------|------------------|------------------------------|----------------------|--------------|
|                                      | \$               | \$                           | \$                   | \$           |
| Balance at the beginning of the year | 2,900,297        | 208,080                      | -                    | 3,108,377    |
| Additions                            | -                | 27,242                       | -                    | 27,242       |
| Disposal                             | -                | (166)                        | -                    | (166)        |
| Depreciation expense                 | (93,520)         | (46,966)                     | -                    | (140,486)    |
|                                      | 2,806,777        | 188,190                      | -                    | 2,994,967    |
|                                      | 2,806,777        | 188,190                      | -                    | 2,994,967    |

**Note 8: Accounts payable and other creditors**

|                        |         |        |
|------------------------|---------|--------|
| Trade creditors        | 115,208 | 55,605 |
| PAYGW                  | 3,966   | 2,720  |
| Superannuation payable | 1,446   | 3,844  |
| Locker bonds           | 283     | 283    |
|                        | 120,903 | 62,452 |
|                        | 120,903 | 62,452 |

**FREMANTLE SURF LIFESAVING CLUB INC**  
A.B.N. 34 048 412 533

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

|                                    | <b>2022</b>   | <b>2021</b>   |
|------------------------------------|---------------|---------------|
|                                    | <b>\$</b>     | <b>\$</b>     |
| <b>Note 9: Employee provisions</b> |               |               |
| Employee leave provisions          | 17,535        | 17,596        |
|                                    | <u>17,535</u> | <u>17,596</u> |

**Note 10: Other liabilities**

|   |                  |                  |
|---|------------------|------------------|
| Building lease prepayment                         | 2,554,451        | 2,554,451        |
| Less accumulated amortisation of lease prepayment | 1,419,140        | 1,277,226        |
|   | <u>1,135,311</u> | <u>1,277,225</u> |
| Total lease liability                             | <u>1,135,311</u> | <u>1,277,225</u> |

The building lease prepayment relates to the building cost funded by the builder at the time of construction of the club building. In exchange the builder was granted a twenty-year lease entitlement on the upstairs café section of the building. The prepayment of building lease is being amortised over eighteen years i.e the period from the time construction was completed to the end of the lease period (2030).

**Note 11: Retained surplus**

|   |                  |                  |
|---|------------------|------------------|
| Surplus at the beginning of the financial year    | 2,302,590        | 2,179,468        |
| Current year surplus (deficit)                    | 150,304          | 123,122          |
| Prior year adjustment                             | (4,127)          | -                |
|   | <u>2,448,767</u> | <u>2,302,590</u> |
| Retained surplus at the end of the financial year | <u>2,448,767</u> | <u>2,302,590</u> |

**Note 12: Cash flow information**

|   |                |                |
|---|----------------|----------------|
| Reconciliation of cash flows from operating activities with |                |                |
| Net current year surplus                                    | 150,304        | 123,122        |
| Non cash flows in current year surplus                      |                |                |
| Depreciation  | 140,486        | 130,034        |
| Amortisation of prepaid building lease                      | (141,914)      | (141,914)      |
| Changes in assets and liabilities                           |                |                |
| (Increase)/ decrease in accounts & other receivable         | 1,979          | (16,965)       |
| (Increase)/decrease in inventory                            | (39,357)       | 15,722         |
| Increase/ (decrease) in accounts payable                    | 58,451         | 36,278         |
| Increase/ (decrease) in employee provisions                 | (61)           | 3,047          |
| Prior year adjustment                                       | (4,127)        | -              |
|   | <u>165,761</u> | <u>149,324</u> |
| Net cash flow from operating activities                     | <u>165,761</u> | <u>149,324</u> |

**FREMANTLE SURF LIFESAVING CLUB INC**  
**A.B.N. 34 048 412 533**

**DIRECTORS STATEMENT**

In accordance with a resolution of the board of Fremantle Surf Lifesaving Club Inc, the members of the board declare that the financial statements as set out on pages 1 to 12:

1. Present a true and fair view of the financial position of Fremantle Surf Lifesaving Club Inc as at 31 March 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report and the requirements of the Associations Incorporations Act Western Australia.
2. At the dated of this statement that are reasonable grounds to believe that Fremantle Surf Lifesaving Club Inc will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the board by:



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President



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Director of Finance

Dated: **1 June 2022**

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Perth, Western Australia



Francis A Jones

Where people count.

## **Fremantle Surf Life Saving Club Inc**

# **Independent Audit Report to the members of Fremantle Surf Life Saving Club Inc**

## **Report on the Audit of the Financial Report**

### **Opinion**

We have audited the accompanying financial report, being a special purpose financial report of Fremantle Surf Life Saving Club Inc (the Association), which comprises the statement of assets and liabilities as at 31 March 2022, the statement of profit or loss, 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 statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 31 March 2022 is prepared, in all material respects, in accordance with Associations Incorporation Act (WA) 2015.

### **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 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association to fulfil their financial reporting responsibilities under the Associations Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

### **Other matter**

Francis A Jones did not complete the audit for the 2021 financial year and therefore we do not form an opinion on the prior year comparative figures.

### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Associations Incorporation Act (WA) 2015, 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.



Francis A Jones

Where people count.

**Fremantle Surf Life Saving Club Inc**

## **Independent Audit Report to the members of Fremantle Surf Life Saving Club Inc**

### **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 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, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 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 reporter, 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 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.

We communicate with the management 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.

Daniel Papaphotis  
Registered Company Auditor  
#410503  
154 High Street  
Fremantle WA 6160  
Date: 7<sup>th</sup> June 2022