

BROOME TURF CLUB INCORPORATED

ABN: 11 670 116 476

**Financial Report For The Year Ended
31 August 2022**

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Financial Report For The Year Ended 31 August 2022

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BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476
INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
Sales revenue	2	1,259,125	1,344,395
Cost of Sales	3	(601,940)	(581,321)
Gross Surplus/(Loss)		657,185	763,074
Other Income	4	3,282,670	3,256,168
Interest Income		74	19
Expenses			
Building & maintenance expenses	5	(328,128)	(304,013)
Administrative expenses	6	(116,146)	(98,498)
RWWA expenses	7	(1,580,035)	(1,424,011)
Race day expenses	8	(863,447)	(515,277)
Motor Vehicle expenses	9	(22,605)	(27,481)
Other operating expenses	10	(32,735)	(173,261)
Personnel expenses	11	(825,914)	(641,438)
Depreciation expenses	12	(96,696)	(86,540)
Interest Expense		-	(28)
Total Expenses		(3,865,706)	(3,270,547)
Surplus / (Deficit) for the year		74,223	748,714
Retained Surplus at the beginning of the financial year		2,807,358	2,058,644
TOTAL AVAILABLE FOR APPROPRIATION		2,881,581	2,807,358

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13	966,490	926,569
Trade and other receivables	14	191,725	151,195
Other assets	15	25,397	15,948
TOTAL CURRENT ASSETS		1,183,612	1,093,712
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,207,874	2,036,910
TOTAL NON-CURRENT ASSETS		2,207,874	2,036,910
TOTAL ASSETS		3,391,486	3,130,622
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	420,468	277,138
Employee entitlements	18	23,529	20,514
Personnel-related items	19	65,908	25,612
TOTAL CURRENT LIABILITIES		509,905	323,264
TOTAL LIABILITIES		509,905	323,264
NET ASSETS		2,881,581	2,807,358
EQUITY			
Retained earnings		2,881,581	2,807,358
TOTAL EQUITY		2,881,581	2,807,358

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022

	Retained Earnings	Total
	\$	\$
Balance at 01 September 2020	<u>2,058,644</u>	<u>2,058,644</u>
Comprehensive Income		
Profit / (Deficit) for the year	748,714	748,714
Balance as at 31 August 2021	<u>2,807,358</u>	<u>2,807,358</u>
Balance at 01 September 2021	<u>2,807,358</u>	<u>2,807,358</u>
Comprehensive Income		
Profit / (Deficit) for the year	74,223	74,223
Balance as at 31 August 2022	<u>2,881,581</u>	<u>2,881,581</u>

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Bar		1,209,168	1,940,748
Receipts from TAB & RWWA		625,990	1,883,750
Other Receipts		2,656,679	751,082
Interest received		74	19
Interest paid		-	(27)
Payments to Employees		(782,603)	(673,679)
Payments to Suppliers		(1,821,691)	(1,476,668)
Payments to RWWA		(1,580,036)	(1,388,649)
Net cash provided by/(used in) operating activities	20a	307,581	1,036,576
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(267,660)	(303,473)
Net cash provided by/(used in) investing activities		(267,660)	(303,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from borrowings		-	(6,548)
Net cash provided by/(used in) financing activities		-	(6,548)
Net increase/(decrease) in cash held		39,921	726,555
Cash and cash equivalents at beginning of financial period		926,569	200,014
Cash and cash equivalents at end of financial period	13	966,490	926,569

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution and the Associations Incorporation Act (WA) 2015. The Committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

AASB 101 - Presentation of Financial Statements

AASB 107 - Cash Flow Statements

AASB 108 - Accounting policies, Changes in Accounting estimates and errors

AASB 1048 - Interpretation of Standards

AASB 1054 - Australian additional disclosures

(a) Income Tax

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

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis or at Independentor directors' valuation. It is anticipated that a market revaluation will be undertaken every 3-5 years.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(d) Financial Instruments

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be 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 immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Employee Benefits

Short-term employee benefits

Provision has been made for annual leave liability accrued at balance date. Annual leave is expected to be settled within 12 months and has been measured at nominal value. Long service leave is accrued for employees from 7 years of service.

(g) 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.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised upon satisfaction of performance obligations.

Sales revenue is recognised upon satisfaction of performance obligations.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date.

Revenue from grant funding, provided under contractual arrangements is recognised upon satisfaction of performance obligations.

(i) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed 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.

(j) Trade and Other Payables

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

(k) 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.

(l) Comparative Figures

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

(m) Economic Dependency

The ongoing operation of Broome Turf Club Inc. is dependent upon the continued receipt of funding from Racing and Wagering Western Australia.

(n) Leasing Commitments

Operating Lease Commitments	2022 \$	2021 \$
Non-cancellable operating leases contracted for but payable minimum lease payments:		
- not later than 12 months	6,000	9,800
- between 12 months and five years	-	8,000
- later than five years	-	6,000

Note 2 BAR SALES REVENUE

	Note	2022 \$	2021 \$
Revenue			
Bar trading sales		1,259,125	1,344,395
		<u>1,259,125</u>	<u>1,344,395</u>

Note 3 COST OF BAR SALES

	Note	2022 \$	2021 \$
Purchases:			
Bar purchases		439,621	440,610
Bar consumables		32,679	33,291
Bar wages		129,640	107,420
		<u>601,940</u>	<u>581,321</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 4 OTHER INCOME

	Note	2022	2021
		\$	\$
ATO Cashflow Boost		-	5,466
Annual member subscriptions		214,708	228,034
Calcutta proceeds		16,563	11,219
Catering & Functions income		135,860	61,745
Covid Dividend		-	175,469
GST Rebate income		15,074	15,727
Gaming income		2,294	4,692
Gate admissions & Day memberships		242,800	282,806
Grants & subsidies		80,696	28,500
JobKeeper Income		-	46,950
Kiosk merchandise sales		12,887	8,236
RWWA distribution & funding		612,855	482,964
RWWA meeting stakes		1,181,894	1,130,140
RWWA tote income		287,666	259,683
Racebook sales		20,377	22,299
Rental Hire - Caterers		509	6,364
Rental Income - Caretakers		13,000	13,000
Sponsorship		445,487	472,874
		3,282,670	3,256,168

Note 5 Building & Maintenance expenses

	2022	2021
	\$	\$
Assets \$5,000 & under	9,495	23,840
Electricity	34,085	30,544
Freight	876	1,319
Insurance	51,521	26,888
Repairs & Maintenance - buildings	67,874	71,880
Repairs & Maintenance - grounds	11,995	6,124
Repairs & Maintenance - office	1,470	688
Repairs & Maintenance - track, plant & equip	27,398	26,032
Sponsors expenses	-	17,261
Waste disposal - general	56,215	57,683
Water	67,199	41,754
	328,128	304,013

Note 6 Administrative Expenses

	2022	2021
	\$	\$
Accounting Fees	13,260	5,976
Advertising	27,502	22,527
Audit Fees	11,962	9,060
Bank Charges	76	80
Bookkeeping fees	30,000	30,735
Computer expense	4,804	3,366
Legal fees	(964)	2,994
Office Expenses	13,260	16,103
Dues & Subscriptions	9,870	4,141
Telephone	6,376	3,516
	116,146	98,498

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 7 RWWA Expenses

	2022	2021
	\$	\$
Club top-up stakes	57,750	34,700
RWWA & Other tote on course expenses	42,282	35,462
RWWA base & feature stakes	1,181,894	1,132,640
RWWA distribution and funding	298,109	221,209
	<u>1,580,035</u>	<u>1,424,011</u>

Note 8 Race Day expenses

	2022	2021
	\$	\$
Ambulance & emergency services	19,478	11,251
Catering	113,656	41,495
Food & Bev for officials, trainers & jockeys	6,733	6,697
Members expenses	4,478	4,541
Merchandise purchases	-	14,000
Race day cleaning	35,549	30,957
Race day tradesman	82,860	41,226
Race day entertainment	54,994	40,064
Racey day equipment hire	136,911	3,563
Race day flights & accommodation	116,343	111,046
Race day gate & parking	12,000	10,000
Race day photographer	12,066	8,200
Race day printing	45,420	48,988
Race day security	140,287	106,043
Trophies & awards	34,644	8,399
Veterinarian costs	31,099	28,805
Sponsorship Expenses	16,929	-
	<u>863,447</u>	<u>515,275</u>

Note 9 Motor Vehicle Expenses

	2022	2021
	\$	\$
Vehicle & equipment - fuel	14,096	11,350
Vehicle & equipment - registration & insurance	5,381	5,198
Vehicle & equipment - repairs & maintenance	3,128	10,933
	<u>22,605</u>	<u>27,481</u>

Note 10 Other Operating Expenses

	2022	2021
	\$	\$
Borrowing Costs	-	6
Hire of plant & equipment	13,639	151,755
Lease & rental	667	12,000
Licenses, permits & memberships	2,858	4,523
Merchant fees	15,571	4,977
	<u>32,735</u>	<u>173,261</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 11 Personnel Expenses

	2022	2021
	\$	\$
Accrued Wages & Superannuation	16,087	8,070
Accrued annual leave	3,015	6,776
Committee allowances	3,777	700
Consultant services	5,000	25,000
Staff accommodation	46,800	31,200
Staff amenities	1,878	3,433
Superannuation contributions	58,932	50,661
Tote & other Contractors	25,400	25,650
Wages - administration	192,975	183,255
Wages - operations & maintenance	217,848	105,594
Wages - professionals	2,800	1,708
Wages - race day casuals	170,867	150,331
Wages - totaliser	65,623	44,959
Workers compensation insurance	14,912	4,101
	825,914	641,438

Note 12 Depreciation Expenses

	2022	2021
	\$	\$
Depreciation - buildings	47,103	41,587
Depreciation - vehicles	1,500	1,499
Depreciation - plant & equipment	48,093	43,454
	96,696	86,540

Note 13 Cash and Cash Equivalents

	2022	2021
	\$	\$
Westpac Business account #5253	863,960	824,113
Westpac Reserve account #5261	102,530	102,456
	966,490	926,569

Note 14 Receivables

	2022	2021
	\$	\$
GST receivable	52,589	52,567
Sundry debtors	53,903	15,727
Accrued Income	29,298	25,000
Trade debtors	55,935	57,901
	191,725	151,195

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 15 Other Assets

	2022	2021
	\$	\$
Prepayments and deposits	20,597	13,548
Rental Bond Held	4,800	2,400
	25,397	15,948
	25,397	15,948

Note 16 Property, Plant and Equipment

	2022	2021
	\$	\$
<i>Building & Improvements</i>		
At Valuation	1,377,400	1,377,400
At Cost	404,529	243,559
Accumulated depreciation	(169,183)	(122,081)
Total Building & Improvements	1,612,746	1,498,878
	1,612,746	1,498,878
<i>Plant & Equipment</i>		
At Valuation	549,450	549,450
At Cost	207,919	101,229
Accumulated depreciation	(174,243)	(126,150)
Total Equipment	583,126	524,529
	583,126	524,529
<i>Motor Vehicles</i>		
At Valuation	18,000	18,000
Accumulated depreciation	(5,998)	(4,497)
Total Motor Vehicles	12,002	13,503
	12,002	13,503
Total Property, Plant and Equipment	2,207,874	2,036,910

Note 17 Trade and Other Payables

	2022	2021
	\$	\$
Trade creditors	300,769	163,423
Bonds held in trust	-	1,000
RWWA liability	79,412	80,329
Electronic clearing account	-	5,000
Accrued expenses	40,287	27,386
	420,468	277,138
	420,468	277,138

Note 18 Employee Entitlements

	2022	2021
	\$	\$
Provision for annual leave	23,529	20,514
	23,529	20,514
	23,529	20,514

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Note 19 Personnel-related items

	2022	2021
	\$	\$
PAYG Withholding payable	32,697	-
Superannuation payable	33,211	25,612
	65,908	25,612
	65,908	25,612

Note 20 Cash Flow Information

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions in money market instruments maturing within less than two months, net of bank overdrafts.

(a) Reconciliation of Cash

Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows;

	2022	2021
	\$	\$
Cash on Hand	966,490	926,569

(b) Reconciliation of cash flows from operating activities with profit after income tax

Surplus / (Deficit) for year	74,223	748,714
Non-cash flows in profit		
— Depreciation and amortisation	96,696	86,540
Changes in assets and liabilities		
— (Increase)/decrease in trade and other receivables	(40,508)	(37,360)
— (Increase)/decrease in other assets	(9,449)	(26,503)
— Increase/(decrease) in trade and other payables	143,331	213,585
— Increase/(decrease) in taxes payable	(23)	22,548
— Increase/(decrease) in personnel payable	40,296	22,276
— Increase/(decrease) in provisions	3,015	6,776
Net Cash inflow from operating activities	307,581	1,036,576
	307,581	1,036,576

BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476
STATEMENT BY MEMBERS OF THE COMMITTEE

1. The financial statements and notes of Broome Turf Club Incorporated are in accordance with the Associations Incorporation Act (WA) 2015 including

a) presenting fairly the financial position of Broome Turf Club Incorporated as at 31 August 2022 and its performance for the year ended on that date.

b) complying with the accounting policies described within Note 1 to the financial statements and the Association Incorporation Act (WA) 2015.

2. At the date of this statement, there are reasonable grounds to believe that the Broome Turf Club Incorporated will be able to pay its debts as when they become due and payable

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



Michael Roe
Chairman



Melanie Virgo
Vice Chairman

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 80 OF THE ASSOCIATIONS INCORPORATION ACT (WA) 2015
TO THE COMMITTEE OF BROOME TURF CLUB INC.**

I declare that, to the best of my knowledge and beliefs, during the year ended 31 August 2021 there have been no contraventions of:

- i) The auditor independence requirements as set out in section 80 of the *Associations Incorporation Act (WA) 2015* in relation the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants



TIM PARTRIDGE
Director

Bunbury, Western Australia

Dated this 14th day of October 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BROOME TURF CLUB INC.**

Qualified Opinion

We have audited the financial report of Broome Turf Club Inc. (the Club) which comprises the statement of financial position as at 31 August 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 declaration by those charged with governance.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report gives a true and fair view of the financial position of Broome Turf Club Inc. as at 31 August 2022, and of its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act (WA) 2015* and the accounting policies described in Note 1 to the financial statements.

Basis for Qualified Opinion

Cash receipts

As is common for organisations of this type, it is not practical for the Club to maintain as effective system of internal control over cash receipts. Accordingly, our audit in relation to income is limited to amounts recorded in the financial records.

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

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

Emphasis of Matter – Economic Dependency

We draw attention to Note 1(m) of the financial report, which outlines that the ongoing operation of Broome Turf Club Inc. is dependent upon the continued receipt of funding from Racing and Wagering Western Australia.

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Broome Turf Club Inc. to meet the requirements of the *Associations Incorporation Act (WA) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (WA) 2015* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Broome Turf Club Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going

concern basis of accounting unless management either intend to liquidate the Broome Turf Club Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Broome Turf Club Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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 those charged with governance 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.

AMD Chartered Accountants



TIM PARTRIDGE FCA
Director