BROOME TURF CLUB INCORPORATED

ABN: 11 670 116 476

Financial Report For The Year Ended
31 August 2023

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BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 $	2022 $
Sales revenue	2	1,206,039	1,259,125
Cost of Sales	3	(557,529)	(601,940)
Gross Surplus/(Loss)		**648,510**	**657,185**
Other Income	4	3,194,183	3,282,670
Interest Income		1,265	74
Expenses			
Building & maintenance expenses	5	(355,496)	(328,128)
Administrative expenses	6	(133,666)	(116,146)
RWWA expenses	7	(1,538,359)	(1,580,035)
Race day expenses	8	(675,850)	(863,447)
Motor Vehicle expenses	9	(28,840)	(22,605)
Other operating expenses	10	(17,947)	(32,735)
Personnel expenses	11	(872,832)	(825,914)
Depreciation expenses	12	(107,901)	(96,696)
Interest Expense		-	-
Total Expenses		(3,730,891)	(3,865,706)
Surplus / (Deficit) for the year		113,067	74,223
Retained Surplus at the beginning of the financial year		2,881,581	2,807,358
TOTAL AVAILABLE FOR APPROPRIATION		**2,994,648**	**2,881,581**

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13	968,119	966,490
Trade and other receivables	14	234,119	191,725
Other assets	15	23,159	25,397
TOTAL CURRENT ASSETS		1,225,397	1,183,612
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,316,438	2,207,874
TOTAL NON-CURRENT ASSETS		2,316,438	2,207,874
TOTAL ASSETS		3,541,835	3,391,486
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	426,572	420,468
Employee entitlements	18	44,343	23,529
Personnel-related items	19	76,272	65,908
TOTAL CURRENT LIABILITIES		547,187	509,905
TOTAL LIABILITIES		547,187	509,905
NET ASSETS		2,994,649	2,881,581
EQUITY			
Retained earnings		2,994,648	2,881,581
TOTAL EQUITY		2,994,648	2,881,581

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Retained Earnings $	Total $
Balance at 01 September 2021	2,807,358	2,807,358
Comprehensive Income		
Profit / (Deficit) for the year	74,223	74,223
Balance as at 31 August 2022	2,881,581	2,881,581
Balance at 01 September 2022	2,881,581	2,881,581
Comprehensive Income		
Profit / (Deficit) for the year	113,067	113,067
Balance as at 31 August 2023	2,994,648	2,994,648

The accompanying notes form part of these financial statements.

BROOME TURF CLUB INCORPORATED
ABN: 11 670 116 476

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Bar		1,138,369	1,209,168
Receipts from TAB & RWWA		578,197	625,990
Other Receipts		2,615,986	2,656,679
Interest received		1,265	74
Interest paid		-	-
Payments to Employees		(841,654)	(782,603)
Payments to Suppliers		(1,735,710)	(1,821,691)
Payments to RWWA		(1,538,359)	(1,580,036)
Net cash provided by/(used in) operating activities	20a	218,094	307,581
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(216,465)	(267,660)
Net cash provided by/(used in) investing activities		(216,465)	(267,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from borrowings		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		1,629	39,921
Cash and cash equivalents at beginning of financial period		966,490	926,569
Cash and cash equivalents at end of financial period	13	968,119	966,490

The accompanying notes form part of these financial statements.

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 Consitution 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.

(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 recongnised 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.

(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.

Income RWWA	**$**	**1,789,011**

(n) Leasing Commitments

Operating Lease Commitments	**2023 $**	**2022 $**
Non-cancellable operating leases contracted for but payable minimum lease payments:		
- not later than 12 months	-	6,000
- between 12 months and five years	-	-
- later than five years	-	-

(o) Provisions
Provisions are recognised when the entity 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Depreciation & Rates
The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of Fixed Asset	**Depreciation Rate**
Buildings & Leasehold land	2.5- 10%
Plant & Equipment	4 - 20%
Motor Vehicles	8.3 – 12.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings

(q) Critical accounting estimates & judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results

Note 2 BAR SALES REVENUE

	2023 $	2022 $
Revenue		
Bar trading sales	1,206,039	1,259,125
	1,206,039	1,259,125

Note 3 COST OF BAR SALES

	2023 $	2022 $
Purchases:		
Bar purchases	362,561	439,621
Bar consumables	27,039	32,679
Bar wages	167,929	129,640
	557,529	601,940

Note 4 OTHER INCOME

	2023 $	2022 $
Annual member subscriptions	332,608	214,708
Calcutta proceeds	11,425	16,563
Catering & Functions income	56,560	135,860
Covid Dividend	-	-
GST Rebate income	11,783	15,074
Gaming income	1,011	2,294
Gate adminissions & Day memberships	214,054	242,800
Grants & subsidies	14,000	80,696
JobKeeper Income	-	-
Kiosk merchandise sales	19,550	12,887
RWWA distribution & funding	565,669	612,855
RWWA meeting stakes	1,223,342	1,181,894
RWWA tote income	229,532	287,666
Racebook sales	11,203	20,377
Rental Hire - Caterers	22,091	509
Rental Income - Caretakers	-	13,000
Sponsorship	458,859	445,487
Sponsorship	22,997	-
	3,194,683	3,282,670

Note 5 Building & Maintenance expenses

	2023 $	2022 $
Assets $5,000 & under	-	9,495
Electricity	42,292	34,085
Freight	15,025	876
Insurance	55,264	51,521
Repairs & Maintenance - buildings	85,189	67,874
Repairs & Maintenance - grounds	14,292	11,995
Repairs & Maintenance - office	651	1,470
Repairs & Maintenance - track, plant & equip	40,192	27,398
Security	4,527	-
Sponsors expenses	-	-
Waste disposal - general	33,495	56,215
Water	64,571	67,199
	355,496	328,128

Note 6 Administrative Expenses

	2023 $	2022 $
Accounting Fees	7,210	13,260
Advertising	23,890	27,502
Audit Fees	12,350	11,962
Bank Charges	609	76
Bookkeeping fees	41,340	30,000
Computer expense	6,510	4,804
Legal fees	-	(964)
Office Expenses	10,098	13,260
Dues & Subscriptions	13,816	9,870
Telephone	17,845	6,376
	133,666	116,146

Note 7 RWWA Expenses

	2023 $	2022 $
Club top-up stakes	40,290	57,750
RWWA & Other tote on course expenses	37,271	42,282
RWWA base & feature stakes	1,223,342	1,181,894
RWWA distribution and funding	237,456	298,109
	1,538,359	1,580,035

Note 8 Race Day expenses

	2023 $	2022 $
Ambulance & emergency services	15,905	19,478
Catering	32,626	113,656
Food & Bev for officials, trainers & jockeys	13,991	6,733
Members expenses	7,612	4,478
Merchandise purchases	14,000	-
Race day cleaning	25,489	35,549
Race day tradesman	36,752	82,860
Race day entertainment	53,629	54,994
Racey day equipment hire	133,815	136,911
Race day flights & accommodation	110,490	116,343
Race day gate & parking	13,500	12,000
Race day photographer	6,215	12,066
Race day printing	45,368	45,420
Race day security	95,245	140,287
Obsolete Stock	7,362	-
Trophies & awards	10,312	34,644
Veterinarian costs	41,965	31,099
Sponsorship Expenses	11,575	16,929
	675,850	863,447

Note 9 Motor Vehicle Expenses

	2023 $	2022 $
Vehicle & equipment - fuel	17,637	14,096
Vehicle & equipment - registration & insurance	5,804	5,381
Vehicle & equipment - repairs & maintenance	5,400	3,128
	28,840	22,605

Note 10 Other Operating Expenses

	2023 $	2022 $
Hire of plant & equipment	3,811	13,639
Lease & rental	1,347	667
Licenses, permits & memberships	3,738	2,858
Merchant fees	9,052	15,571
	17,947	32,735

Note 11 Personnel Expenses

	2023 $	2022 $
Accrued Wages & Superannuation	24,365	16,087
Accrued annual leave	9,343	3,015
Committee allowances	13,377	3,777
Consultant services	18,537	5,000
Staff accommodation	31,759	46,800
Staff amenities	2,799	1,878
Staff training & welfare	1,160	-
Superannuation contributions	59,557	58,932
Tote & other Contractors	25,200	25,400
Wages - administration	238,038	192,975
Wages - operations & maintenance	276,570	217,848
Wages – Professionals	-	2,800
Wages - race day casuals	86,054	170,867
Wages - totaliser	64,002	65,623
Workers compensation insurance	22,071	14,912
	872,832	825,914

Note 12 Depreciation Expenses

	2023 $	2022 $
Depreciation - buildings	51,149	47,103
Depreciation - vehicles	1,500	1,500
Depreciation - plant & equipment	55,252	48,093
	107,901	96,696

Note 13 Cash and Cash Equivalents

	2023 $	2022 $
Westpac Business account #5253	863,224	863,960
Westpac Reserve account #5261	104,895	102,530
	968,119	966,490

Note 14 Receivables

	2023 $	2022 $
GST receivable	25,074	52,589
Sundry debtors	55,232	53,903
Accrued Income	33,620	29,298
Trade debtors	120,192	55,935
	234,118	191,725

Note 15 Other Assets

	2023 $	2022 $
Prepayments and deposits	19,356	20,597
Rental Bond Held	3,803	4,800
	23,159	25,397

Note 16 Property, Plant and Equipment

	2023 $	2022 $
Building & Improvements		
At Valuation	1,377,400	1,377,400
At Cost	536,741	404,529
Accumulated depreciation	(220,332)	(169,183)
Total Building & Improvements	1,693,809	1,612,746
Plant & Equipment		
At Valuation	549,450	549,450
At Cost	292,173	207,919
Accumulated depreciation	(229,495)	(174,243)
Total Equipment	612,127	583,126
Motor Vehicles		
At Valuation	18,000	18,000
Accumulated depreciation	(7,498)	(5,998)
Total Motor Vehicles	10,502	12,002
Total Property, Plant and Equipment	2,316,438	2,207,874

Note 17 Trade and Other Payables

	2023 $	2022 $
Trade creditors	204,297	300,769
Bonds held in trust	-	-
RWWA liability	73,302	79,412
Electronic clearing account	94,619	-
Accrued expenses	54,354	40,287
	426,572	420,468

Note 18 Employee Entitlements

	2023 $	2022 $
Provision for bonuses payable	35,000	-
Provision for annual leave	9,343	23,529
	44,343	23,529

Note 19 Personnel-related items

	2023 $	2022 $
PAYG Withholding payable	38,272	32,697
Superannuation payable	38,000	33,211
	76,272	65,908

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;

	2023 $	2022 $
Cash on Hand	968,119	966,490
(b) Reconciliation of cash flows from operating activities with profit after income tax		
Surplus / (Deficit) for year	113,067	74,223
Non-cash flows in profit		
— Depreciation and amortisation	107,900	96,696
— Net (gain) / Loss on disposal of property, plant and equipment		
— Bad Debts		
— Share of associate's net profit after dividends		
Changes in assets and liabilities		
— (Increase)/decrease in trade and other receivables	(69,908)	(40,508)
— (Increase)/decrease in other assets	2,238	(9,449)
— (Increase)/decrease in inventories		
— Increase/(decrease) in trade and other payables	6,104	143,331
— Increase/(decrease) in taxes payable	27,515	(23)
— Increase/(decrease) in personnel payable	10,364	40,296
— Increase/(decrease) in provisions	20,814	3,015
Net Cash inflow from operating activities	218,094	307,581

(c) Subsequent Event Occurring After the Date of the Financial Statements:

There have been no recognized or non-recognized subsequent events occurring between the end of the reporting period and the issuance date of these financial statements that would require disclosure or adjustment to the financial statements.

(d) Basis of Going Concern

The Committee has resolved after reviewing the financial result for the previous year, the cashflow budget for the ensuing year, and considering increased cashflow opportunities through stricter money-handling controls and reduction in variable outgoings, that Broome Turf Club Incorporated will be able to pay its debts as and when they fall due and will continue operation for the foreseeable future.

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

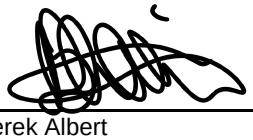
1. The financial statements and notes of Broome Turf Club Incorporated are in accordance with the Associations Incorporation Act (WA) 2015 including

a) presenting fairly the financial position of Broome Turf Club Incorporated as at 31 August 2023 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:



Derek Albert
Chairman

Michael Roe
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 2023 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 FCA
Director

Bunbury, Western Australia Dated this 26th day of October 2023

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 2023, 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 2023, 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(g) 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.

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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
Level 1, 53 Victoria Street, Bunbury, Western Australia Dated this 26th day of October 2023