

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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COMMITTEE'S REPORT

Your Committee Members submit the financial report of Dinah Beach Cruising Yacht Association Inc. for the financial year ended 30 June 2021.

Committee Members

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

Joy Eggenhuizen	Commodore
Bob Colman	Vice Commodore
Ray Jarrett	Rear Commodore
Lewis Roberts	Secretary
Ian McKerrow	Treasurer
Andrew Wilson	Public Officer
Glynn Walker	Member (resigned 14 November 2020)
Phil Cole	Member
Tim Hill	Member
Sharelle Peek	Member

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Association during the financial year were to provide cruising yacht facilities and support to members of the Association.

Significant Changes

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

Operating Result

The **surplus** of the Association for the financial year ended 30 June 2021 was \$33,152 (2020: surplus of \$757).

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

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

Dated this 29th day of September 2021

COMMODORE



TREASURER -



DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Income			
Trading gross surplus	2a	481,630	408,708
Other Income	2b	495,245	374,781
TOTAL INCOME		976,875	783,489
Expenses			
Accounting fees		32,244	29,764
Admin Expenses	3b	122,066	137,783
Ambon Race General Expenses		74	19,194
Audit fees		7,000	(650)
Bank charges		7,404	4,645
Bar expenses		64,430	26,717
Compliance costs		8,750	-
Depreciation		95,199	70,913
Employment	3a	316,992	287,733
Entertainment expense		94,153	70,195
Insurance		43,977	31,344
Rent, rates and taxes		12,057	14,338
Repairs and maintenance		107,270	77,974
Wet season expenses		32,107	12,418
Total Expenditure		943,723	782,368
Net Surplus/(Loss)		33,152	757
TOTAL SURPLUS/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		33,152	757

The accompanying notes form part of these financial statements.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	756,819	650,962
Accounts receivable and other debtors	5	9,454	5,382
Inventories on hand	6	22,552	24,212
Other Current assets	7	62,440	1,372
TOTAL CURRENT ASSETS		851,265	681,928
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,375,395	1,455,485
TOTAL NON-CURRENT ASSETS		1,375,395	1,455,485
TOTAL ASSETS		2,226,660	2,137,413
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	107,392	59,896
Employee provisions	10	14,977	14,545
TOTAL CURRENT LIABILITIES		122,369	74,441
NON-CURRENT LIABILITIES			
Employee provisions	10	14,781	12,318
TOTAL NON-CURRENT LIABILITIES		14,781	12,318
TOTAL LIABILITIES		137,150	86,759
NET ASSETS		2,089,510	2,050,654
MEMBERS' FUNDS			
Retained surplus	11	2,089,510	2,050,654
TOTAL MEMBERS' FUNDS		2,089,510	2,050,654

The accompanying notes form part of these financial statements

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

	<u>Retained Surplus</u>
BALANCE at 1 July 2019	<u>2,049,897</u>
Net surplus for the year	<u>757</u>
Balance at 30 June 2020	<u>2,050,654</u>
Balance at 1 July 2020	<u>2,050,654</u>
Add: prior period adjustment	5,704
Net surplus/(Loss) for the year	<u>33,152</u>
Balance at 30 June 2021	<u>2,089,510</u>

The accompanying notes form part of these financial statements

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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STATEMENT OF CASH FLOWS AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,466,778	1,153,222
Payments to suppliers and employees		(1,345,814)	(1,053,448)
Interest received		3	10,937
Net cash provided by operating activities	14	120,967	110,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,110)	(121,491)
Net cash used in investing activities		(15,110)	(121,491)
CASH FLOWS FORM FINANCING ACTIVITIES			
Payment of borrowings		-	-
Advances of borrowings		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		105,857	(10,780)
Cash on hand at beginning of financial year		650,962	661,742
Cash on hand at end of financial year	4	756,819	650,962

The accompanying notes form part of these financial statements

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover Dinah Beach Cruising Yacht Association Inc. as an individual entity which is an association incorporated pursuant to the *Northern Territory of Australia Associations Act*.

Basis of Preparation

The Committee Members have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the requirements of the Associations Act Northern Territory.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Associations Act NT and the significant accounting policies described below, which the Committee Members have determined are appropriate to meet the needs of Members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Income Tax

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

b. Property, Plant and Equipment (PPE)

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

Property Improvements

Property improvements are measured on the cost basis less accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Committee Members, to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

In the event the carrying amount of property plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (c) for details of impairment).

Depreciation

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 commencing from the time the asset is available 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.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Class of Fixed Assets	Depreciation Rate
Property and improvements	5 - 37.5%
Plant and equipment	2.5 - 20 %

c. 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.

d. 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 liability is settled.

Contributions are made by the Association to employees' superannuation funds and are charged as an expense when incurred.

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 and salaries.

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. Other benefits such as annual leave and long service leave are recognised as employee provisions.

Other long-term employee benefits

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 date, in which case the obligations are presented as current provisions.

Provision is made for employees leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period which the employees rendered the related service.

The Association, based on past experience regarding levels of service reached by employees, records long service leave entitlements once an employee reaches 5 years of service with the Association.

e. Cash and Cash Equivalents

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

f. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from customers for goods and services performed in the ordinary course of business and from Members as well as amounts receivable from donors. 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.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Inventories

Inventories comprising snacks, tobacco and beverages (alcoholic and non - alcoholic) are held for sale and are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

h. Revenue and Other Income

Non-reciprocal grant revenue is recognised in the profit or loss when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Association 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 Association 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 balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and fundraising income are recognised as income upon receipt.

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

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

i. 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 assets and liabilities statement.

j. 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 of recognition of the liability.

k. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statement.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Prior period adjustment

An adjustment of \$5,704 was made to the opening retained surplus at 1 July 2020, as a result of transactions recorded in MYOB after the audited financial report was distributed and before the ledger was rolled over into the new year. These transactions related to COVID-19 rebates for water usage as well as credit notes provided by one the Association's suppliers.

m. Economic dependence

The future operations of the Association are dependent upon the achievement of operating surpluses, positive operating cash flows and the continued support of its Members and the Local Community. The Association has no reason to believe that it will not continue to receive the support of its Members and the Local Community in the foreseeable future and that it will not be able to generate operating surpluses and positive cash flows.

NOTE 2: REVENUE AND OTHER INCOME

	2021 \$	2020 \$
(a) Trading revenue		
Sale of goods		
Bar Sales	971,536	762,407
Less: Cost of sales		
Opening Stock	24,212	24,126
Purchases	488,245	353,785
Closing Stock	(22,552)	(24,212)
Total Cost of Sales	489,906	353,699
Gross Profit	481,630	408,708
(b) Other revenue		
Boat park / rental income	222,834	184,809
Other income	81,625	40,491
Membership subscriptions	42,351	40,179
Ambon entry fee	-	4,500
T-shirt and hats income	-	-
Wet season & dry season race revenue (incl sponsorship)	30,945	17,809
Grants and COVID-19 subsidies	117,487	76,056
Interest	3	10,937
Total Other Income	495,245	374,781
Total Trading Gross Surplus and Other Income	976,875	783,489

NOTE 3: EXPENSES

(a) Employment expenses

Salaries and wages	280,782	255,705
Superannuation	25,554	22,818
Other staffing expenses	10,656	9,210
Total Employment Expenses	316,992	287,733

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

NOTE 3: EXPENSES (CONT'D)

(b) Administrative expense		
Bad debts expense	-	-
Cleaning expense	24,338	22,081
Committee expense	253	157
Freight and courier expense	548	151
General administration	8,501	12,967
General equipment hire	286	247
Internet and telephone expense	4,210	5,829
License fee	1,461	1,834
Memberships and subscriptions	763	-
Printing and stationery	4,311	4,890
Security and safety costs	13,537	8,282
Software	3,928	3,528
Viking funeral expenses	-	13,273
Waste disposal	11,109	14,121
Water expenses	12,767	16,017
General electricity expense	9,577	11,309
Other electricity expense	26,477	23,368
Total Administrative expense	122,066	137,784

NOTE 4: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash on hand	4,906	4,242
Cash at bank - operational bank accounts	401,913	646,720
Term deposits	350,000	-
Total Cash and Cash Equivalents	756,819	650,962

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

CURRENT

Accounts receivable	11,036	16,765
Less: Provision for doubtful debts	(1,582)	(11,383)
Total Account Receivable	9,454	5,382

NOTE 6: INVENTORY

CURRENT

Inventories on hand - at cost	22,552	24,212
Total Inventories	22,552	24,212

Inventories comprise snacks, tobacco, beverages (alcoholic and non- alcoholic) at 30 June 2021 and 2020.

NOTE 7: OTHER CURRENT ASSETS

CURRENT

Accrued income	3,636	-
Prepaid insurance and rates	58,804	1,372
Total other current assets	62,440	1,372

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Buildings and Improvements

Buildings and improvements at cost	2,082,020	2,077,576,
Less: Accumulated depreciation	<u>(708,736)</u>	<u>(657,179)</u>
Total Buildings and Improvements	<u>1,373,284</u>	<u>1,420,397</u>

Furniture and Equipment

Furniture and Equipment at cost	514,049	503,383
Less: Accumulated depreciation	<u>(511,938)</u>	<u>(468,295)</u>
Total Furniture and Equipment	<u>2,211</u>	<u>35,088</u>

Total property, plant and equipment	<u>1,375,395</u>	<u>1,455,485</u>
--------------------------------------------	-------------------------	-------------------------

The association occupies the land situated at Lot 6457 Town of Darwin, under a crown lease from the Northern Territory Government, commencing from 8 November 1996, for its principal business activities. The lease term is held in perpetuity.

NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2021	2020
	\$	\$
CURRENT		
Trade payables	82,931	50,838
Accruals	-	-
Sundry creditors and other payables	29,998	18,184
GST payables (net)	<u>(5,537)</u>	<u>(9,126)</u>
Total Accounts and Other Payables	<u>107,392</u>	<u>59,896</u>

NOTE 10: EMPLOYEE PROVISIONS

CURRENT

Provision for annual leave	14,975	14,545
Total Current Employee Provisions	<u>14,975</u>	<u>14,545</u>

NON-CURRENT

Provision for long service leave	14,781	12,318
Total Non- Current Employee Provisions	<u>14,781</u>	<u>12,318</u>
Total Employee Provisions	<u>29,758</u>	<u>26,863</u>

The Association does not expect the full amount of the annual leave entitlements to be settled within the next 12 months however, the amount must be classified as a current liability because the Association does not have an unconditional right to defer settlement of the amount in the event employees wish to use their leave entitlements.

NOTE 11: RETAINED SURPLUS

Opening surplus at 1 July 2020	2,050,654	2,049,897
Prior period adjustment	5,704	-
Surplus/(Loss) for the year	<u>33,152</u>	<u>757</u>
Closing Balance as at 30 June 2021	<u>2,089,510</u>	<u>2,050,654</u>

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

The Committee is not aware of any significant events since 30 June 2021 and up to the date of this financial report (2020: Nil).

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTE 13.: COMMITMENTS AND CONTINGENCIES

The Committee does not have any significant leasing or capital commitments at 30 June 2021 (2020: Nil).

The Committee is not aware of any contingent liabilities as at 30 June 2021 (2020: Nil).

NOTE 14: CASH FLOW RECONCILIATION

Reconciliation of cash flow from operating activities with net current year surplus:

Current year surplus/(Loss):	33,152	757
Non-cash flows in current year surplus:		
Depreciation	95,199	70,913
Provision of doubtful debts	(9,801)	(4,502)
Changes in assets and liabilities:		
(Increase)/ decrease in account receivables and other receivable	5,729	10,968
(increase)/ decrease in inventories on hand	1,660	(86)
(increase)/ decrease in other current assets	(61,069)	4,941
Increase/ (decrease) in accounts payable and other payables	47,497	22,429
Increase/ (decrease) in employee provisions	2,895	5,291
Net cash flows from operating activities	120,967	110,711

NOTE 15: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is
68 Frances Bay Drive, Darwin, Northern Territory 0800

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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In our opinion:

- (a) The accompanying financial report, being a special purpose financial report, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2021 and the results of the Association for the year ended on that date;
- (b) The accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

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

Committee member:

JOY EGGENHUIZEN

Date:

29.9.21

Eggenhuizen

Committee member:

TREASURER

Date:

29/9/21

[Signature]

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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*INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED*

Report on the Audit of the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Dinah Beach Cruising Yacht Association Incorporated, which comprises the balance sheet as at 30 June 2021, the statement of income and expenditure for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the association council.

Qualified Opinion

In our opinion, except for the effects on the financial statements of the matter referred to in the basis for qualification paragraph, the financial report of Australian Dinah Beach Cruising Yacht Association Incorporated presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Dinah Beach Cruising Yacht Association Incorporated as at 30 June 2021 and the results of its operations for the financial year then ended.

Basis for Qualified Opinion

1. Completeness of Income

Significant sources of income include sales, commissions, promotional support and other income for Dinah Beach Cruising Yacht Association Incorporated. It is impracticable to establish control over the collection of these items prior to their entry into the financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to these items had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion on the completeness of income for Australian Dinah Beach Cruising Yacht Association Incorporated.

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

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Dinah Beach Cruising Yacht Association Incorporated to comply with the financial reporting provisions of *Associations Act (NT) 2003*. As a result, the financial report may not be suitable for another purpose.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 1 of the financial report, which describes prior period adjustments. An adjustment of \$5,704 was made to the opening retained surplus as a result of transactions recorded in the ledger after the audited accounts were distributed. These transactions related to COVID-19 rebates received for water usage as well as credit notes provided by one of the Association's suppliers in the previous year.

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 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.

Committee's Responsibility for the Financial Report

The committee is responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Act (NT) 2003* is appropriate to meet the needs of the members.

The committee responsibility also includes such internal control as the council determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are 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 the committee members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Financial Report

Our objectives are to obtain 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 of 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 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 committee.
- Conclude on the appropriateness of the Association'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 committee'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 Association to cease or 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.

ABSOLUTE ACCOUNTING AND AUDIT

GPO Box 1313
Darwin NT 0801



PASQUALINA M. GILMOUR
CPA

Dated this 30th day of September 2021