

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED

ABN 65 794 385 995

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

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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 2020.

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
Liza Bowers	Secretary
Debra Negus	Treasurer
Andrew Wilson	Public Officer
Louise Becker	Member
Glynn Walker	Member
Sharelle Peek	Member
Steven Schortz	Member (resigned 11 February 2020)
Richard Samuel	Member (appointed 20 April 2020)

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.

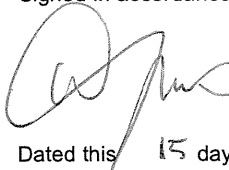
Operating Result

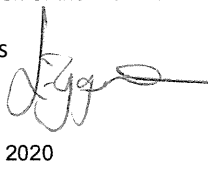
The surplus of the Association for the financial year ended 30 June 2020 was \$757 (2019: surplus of \$9,271).

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.

 Debra Negus
Treasurer

 Joy Eggenhuizen
Commodore

Dated this 15 day of September 2020

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Income			
Trading gross surplus	2a	408,708	505,350
Other Income	2b	374,781	362,110
TOTAL INCOME		783,489	867,460
Expenses			
Accounting fees		29,764	32,037
Admin Expenses	3b	137,783	147,232
Ambon Race General Expenses		19,194	16,501
Audit fees		(650)	9,400
Bank charges		4,645	6,307
Bar expenses		26,717	41,950
Depreciation expense		70,913	65,393
Employment	3a	287,733	295,760
Entertainment expense		70,195	84,529
Insurance		31,344	45,405
Rent, rates and taxes		14,338	15,185
Repairs and maintenance		77,974	77,127
Wet season expenses		12,418	21,363
Total Expenditure		782,368	858,189
Net Surplus/(Loss)		757	9,271
TOTAL SURPLUS/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		757	9,271

The accompanying notes form part of these financial statements.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

STATEMENT OF FINANCIAL POSITIONS AS AT 30 JUNE 2020

	Note	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	650,962	661,742
Accounts receivable and other debtors	5	5,382	11,848
Inventories on hand	6	24,212	24,126
Other Current assets	7	1,372	6,317
TOTAL CURRENT ASSETS		681,928	704,033
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,455,485	1,405,266
TOTAL NON-CURRENT ASSETS		1,455,485	1,405,266
TOTAL ASSETS		2,137,413	2,109,299
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	59,896	37,830
Employee provisions	10	14,545	11,943
TOTAL CURRENT LIABILITIES		74,441	49,773
NON-CURRENT LIABILITIES			
Employee provisions	10	12,318	9,629
TOTAL NON-CURRENT LIABILITIES		12,318	9,629
TOTAL LIABILITIES		86,759	59,402
NET ASSETS		2,050,654	2,049,897
MEMBERS' FUNDS			
Retained surplus	11	2,050,654	2,049,897
TOTAL MEMBERS' FUNDS		2,050,654	2,049,897

The accompanying notes from part of these financial statements

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2020

	<u>Retained Surplus</u>
BALANCE at 1 July 2018	<u>2,040,626</u>
Net surplus for the year	<u>9,271</u>
Balance at 30 June 2019	<u>2,049,897</u>
Balance at 1 July 2019	<u>2,049,897</u>
Net surplus/(Loss) for the year	<u>757</u>
Balance at 30 June 2020	<u>2,050,654</u>

The accompanying notes form part of these financial statements

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
ABN 65 794 385 995

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,153,222	1,260,473
Payments to suppliers and employees		(1,053,448)	(1,181,768)
Interest received		10,937	6,943
Net cash provided by operating activities	14	110,711	85,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(121,491)	(48,698)
Net cash used in investing activities		(121,491)	(48,698)
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		(10,780)	36,950
Cash on hand at beginning of financial year		661,742	624,792
Cash on hand at end of financial year	4	650,962	661,742

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 2020

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 2020

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.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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

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.

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.

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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

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

l. 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

	2020	2019
	\$	\$
(a) Trading revenue		
Sale of goods		
Bar Sales	762,407	905,882
Less: Cost of sales		
Opening Stock	24,126	30,177
Purchases	353,785	394,481
Closing Stock	(24,212)	(24,126)
Total Cost of Sales	353,699	400,532
Gross Profit	408,708	505,350
(b) Other revenue		
Boat park / rental income	184,809	207,644
Other income	40,491	47,687
Membership subscriptions	40,179	42,768
Ambon entry fee	4,500	8,280
T-shirt and hats income	-	1,646
Wet season race revenue	17,809	18,476
Grants and COVID-19 subsidies	76,056	28,666
Interest	10,937	6,943
Total Other Income	374,781	362,110
Total Trading Gross Surplus and Other Income	783,489	867,460

NOTE 3: EXPENSES

(a) Employment expenses		
Salaries and wages	255,705	263,030
Superannuation	22,818	24,055
Other staffing expenses	9,210	8,675
Total Employment Expenses	287,733	295,760

DINAH BEACH CRUISING YACHT ASSOCIATION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

NOTE 3: EXPENSES (CONT'D)

(b) Administrative expense		
Bad debts expense	-	(7,889)
Cleaning expense	22,081	23,470
Committee expense	157	851
Freight and courier expense	151	606
General administration	12,967	13,637
General equipment hire	247	190
Internet and telephone expense	5,829	5,742
License fee	1,834	2,008
Memberships and subscriptions	-	909
Printing and stationary	4,890	6,040
Security costs	8,282	13,501
Software	3,528	3,135
Viking funeral expenses	13,273	12,782
Waste disposal	14,121	15,320
Water expenses	16,017	16,481
General electricity expense	11,309	12,641
Other electricity expense	23,368	27,808
Total Administrative expense	<u>137,784</u>	<u>147,232</u>

NOTE 4: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on hand	4,242	14,506
Cash at bank - operational bank accounts	646,720	132,650
Term deposits	-	514,586
Total Cash and Cash Equivalents	<u>650,962</u>	<u>661,742</u>

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

CURRENT

Accounts receivable	16,765	27,733
Less: Provision for doubtful debts	<u>(11,383)</u>	<u>(15,885)</u>
Total Account Receivable	<u>5,382</u>	<u>11,848</u>

NOTE 6: INVENTORY

CURRENT

Inventories on hand - at cost	24,212	24,126
Total Inventories	<u>24,212</u>	<u>24,126</u>

Inventories comprise snacks, tobacco, beverages (alcoholic and non- alcoholic) at 30 June 2020 and 2019.

NOTE 7: OTHER CURRENT ASSETS

CURRENT

Prepaid insurance	1,372	6,317
Total other current assets	<u>1,372</u>	<u>6,317</u>

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

Buildings and Improvements

Buildings and improvements at cost	1,878,908,	1,875,694
Less: Accumulated depreciation	<u>(549,592)</u>	<u>(606,190)</u>
Total Buildings and Improvements	<u>1,329,316</u>	<u>1,269,504</u>

Furniture and Equipment

Furniture and Equipment at cost	503,383	493,053
Less: Accumulated depreciation	<u>(377,214)</u>	<u>(357,291)</u>
Total Furniture and Equipment	<u>126,169</u>	<u>135,762</u>

Total property, plant and equipment	<u>1,455,485</u>	<u>1,405,266</u>
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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

	2020	2019
	\$	\$
CURRENT		
Trade payables	50,838	10,334
Accruals	-	6,472
Sundry creditors and other payables	18,184	14,171
GST payables (net)	<u>(9,126)</u>	<u>6,853</u>
Total Accounts and Other Payables	<u>59,896</u>	<u>37,830</u>

NOTE 10: EMPLOYEE PROVISIONS

CURRENT

Provision for annual leave	<u>14,545</u>	<u>11,493</u>
Total Current Employee Provisions	<u>14,545</u>	<u>11,493</u>

NON-CURRENT

Provision for long service leave	<u>12,318</u>	<u>9,629</u>
Total Non- Current Employee Provisions	<u>12,318</u>	<u>9,629</u>

Total Employee Provisions	<u>26,863</u>	<u>21,572</u>
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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 2019	2,049,897	2,040,626
Surplus/(Loss) for the year	<u>757</u>	<u>9,271</u>
Closing Balance as at 30 June 2020	<u>2,050,654</u>	<u>2,049,897</u>

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

The Committee is not aware of any significant events since 30 June 2020 and up to the date of this financial report (2019: 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 2020 (2019: Nil).

The Committee is not aware of any contingent liabilities as at 30 June 2020 (2019: Nil).

NOTE 14: CASH FLOW RECONCILIATION

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

Current year surplus/(Loss):	757	9,271
Non-cash flows in current year surplus:		
Depreciation	70,913	65,363
Provision of doubtful debts	(4,502)	(8046)
Changes in assets and liabilities:		
(Increase)/ decrease in account receivables and other receivable	10,968	(419)
(increase)/ decrease in inventories on hand	(86)	6,051
(increase)/ decrease in other current assets	4,941	1,754
Increase/ (decrease) in accounts payable and other payables	22,429	3,591
Increase/ (decrease) in employee provisions	5,291	8,053
Net cash flows from operating activities	<u>110,711</u>	<u>85,648</u>

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 2020 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, COMMODORE

Date: 15.9.2020



Committee member: DEBRA NELIUS Treasurer

Date: 15.9.2020

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 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 2020, 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.

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

Basis for 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 2020 and the results of its operations for the financial year then ended.

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.

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.

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 day of September 2020

