

# **North Bondi Surf Life Saving Club Inc.**

ABN: 77 272 419 031

## **Financial Statements**

For the Year Ended 30 April 2022

# North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

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For the Year Ended 30 April 2022

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## **North Bondi Surf Life Saving Club Inc.**

ABN: 77 272 419 031

### **Committee's Report**

**30 April 2022**

Your Committee present their report on North Bondi Surf Life Saving Club Inc. for the financial year ended 30 April 2022.

#### **Committee Members**

The names of each member of the Committee at any time during, or since the end of the year:

Andrew Christopher  
Danny Ekins  
Robert White  
Nick Sone  
John Clothier  
Phil Suriano  
Matt Hamilton  
Jonathan Golan  
Alex Merkur

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 was to provide surf life saving protection to members of the public.

There were no significant change in the nature of these activities occurred during the financial year.

#### **Operating result**

The surplus of the Association for the financial year amounted to \$486,490 (2021: surplus of \$271,560).

#### **Events after the reporting date**

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.

**North Bondi Surf Life Saving Club Inc.**

ABN: 77 272 419 031

**Committee's Report**


**30 April 2022**

**Auditors independence declaration**

The lead auditors independence declaration for the year ended 30 April 2022 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee:

Committee member:   
.....  
Andrew Christopher

Committee member:   
.....  
Danny Ekins

Dated 13 July 2022

NORTH BONDI SURF LIFE SAVING CLUB INC.  
ABN 77 272 419 031

Auditor's Independence Declaration under the Australian Charities and Not-for-profits Commission Act 2012 to the Committee of North Bondi Surf Life Saving Club Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



SCOTT TOBUTT  
PARTNER

13 JULY 2022  
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership  
ABN 91 850 861 839

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## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

### Statement of Profit or Loss

For the Year Ended 30 April 2022

	2022	2021
	\$	\$
<b>Income</b>		
Membership fees	416,197	332,409
Merchandise sales	110,800	61,051
Sponsorship, donations, and bequests	898,839	346,444
Events and functions	529,234	425,039
Grant income	82,173	465,615
Other revenue	253,409	227,966
Interest received	19	3,641
ATO cashflow boost	-	56,116
Jobkeeper subsidy	-	179,400
Other government subsidies	69,134	-
<b>Total income</b>	<b>2,359,805</b>	<b>2,097,681</b>
<b>Expenditure</b>		
Cost of sales	411,897	287,724
Accounting and audit fees	37,000	31,670
Cleaning	63,487	104,693
Employee benefits expense	452,666	468,928
Marketing expenses	2,039	-
Insurance	11,774	10,627
Repairs and maintenance	78,835	140,231
Other expenses	488,718	477,671
<b>Total expenditure</b>	<b>1,546,416</b>	<b>1,521,544</b>
<b>Net surplus before depreciation</b>	<b>813,389</b>	<b>576,137</b>
Depreciation expense	326,899	304,577
<b>Net surplus after depreciation</b>	<b>486,490</b>	<b>271,560</b>

The accompanying notes form part of these financial statements.

# North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

## Statement of Financial Position As At 30 April 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,155,381	1,054,808
Trade and other receivables	4	77,121	104,784
Inventories	5	87,451	92,424
Financial assets	6	800,000	-
Other assets	8	35,058	40,392
<b>TOTAL CURRENT ASSETS</b>		<b>2,155,011</b>	<b>1,292,408</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	7,206,011	7,368,056
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,206,011</b>	<b>7,368,056</b>
<b>TOTAL ASSETS</b>		<b>9,361,022</b>	<b>8,660,464</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	258,871	206,799
Deferred revenue	10	338,227	176,231
<b>TOTAL CURRENT LIABILITIES</b>		<b>597,098</b>	<b>383,030</b>
<b>TOTAL LIABILITIES</b>		<b>597,098</b>	<b>383,030</b>
<b>NET ASSETS</b>		<b>8,763,924</b>	<b>8,277,434</b>
<b>EQUITY</b>			
Retained funds	11	8,763,924	8,277,434
<b>TOTAL EQUITY</b>		<b>8,763,924</b>	<b>8,277,434</b>

The accompanying notes form part of these financial statements.

## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

### Statement of Cash Flows For the Year Ended 30 April 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers, members, donors and grants	2,554,418	2,096,780
Payments to suppliers and employees	(1,489,010)	(1,357,570)
Interest received	19	3,641
Net cash provided by operating activities	13 <u>1,065,427</u>	<u>742,851</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(164,854)	(1,204,187)
Proceeds from sale of property, plant and equipment	-	17,977
Acquisition of term deposits	(800,000)	-
Net cash used in investing activities	<u>(964,854)</u>	<u>(1,186,210)</u>
Net increase/(decrease) in cash and cash equivalents held	100,573	(443,359)
Cash and cash equivalents at beginning of year	<u>1,054,808</u>	<u>1,498,167</u>
Cash and cash equivalents at end of financial year	3 <u><u>1,155,381</u></u>	<u><u>1,054,808</u></u>

The accompanying notes form part of these financial statements.



## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

# Notes to the Financial Statements

## For the Year Ended 30 April 2022

The financial statements cover North Bondi Surf Life Saving Club Inc. (the "Association") as a not-for-profit individual entity domiciled in Australia.

### 1 Basis of Preparation

North Bondi Surf Life Saving Club Inc. is not a reporting entity because the Committee Members are of the opinion that there are unlikely to exist users who are able to command the preparation of financial reports tailored to satisfy all of their information needs. Therefore this report is a Special Purpose Financial Report that has been prepared solely to satisfy the financial reporting requirements of the Committee, the requirements of the Charitable Fundraising Act 1991 and Australian Charities and Not-for-profit Commission Act 2012.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting Standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant account policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. The income tax exemption has been claimed based on self-assessment by the Association.

#### (b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (c) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price

## **Notes to the Financial Statements**

### **For the Year Ended 30 April 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(c) Revenue and other income**

###### **Revenue from contracts with customers**

4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Association are:

###### **Donations and Bequests**

Donations and bequests collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset.

###### **Grant revenue**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

###### **Membership subscription income**

Membership subscription income is recognised over the period in which the services are rendered and corresponds to the satisfaction of performance obligations and transfer of control to the customer.

Amounts received in advance are recognised as deferred income and credited to profit and loss on a straight line basis over the expected subscription period.

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 2 Summary of Significant Accounting Policies

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Building, and leasehold improvements	2.5% SL
Furniture & gym equipment	15 - 40% DV
Coaster bus	15 - 40% DV
Office furniture & equipment	15 - 40% DV
Surf sports & life saving equipment	15 - 30% DV

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (g) Trade and other payables

Trade 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 which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

#### (h) Trade and other receivables

Trade receivables are recognised at fair value less any expected credit losses.

The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

## **Notes to the Financial Statements**

### **For the Year Ended 30 April 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(i) Financial instruments**

###### **Financial assets**

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### **Trade receivables**

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### **Other financial assets measured at amortised cost**

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

## Notes to the Financial Statements

For the Year Ended 30 April 2022

### 2 Summary of Significant Accounting Policies

#### (j) Impairment of assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss

# North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 3 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank	1,150,881	1,050,308
Cash on hand	4,500	4,500
	<u>1,155,381</u>	<u>1,054,808</u>

### 4 Trade and other receivables

Trade receivables	77,121	86,582
GST receivable	-	18,202
	<u>77,121</u>	<u>104,784</u>

### 5 Inventories

Stock on hand - merchandise	43,509	49,962
Stock on hand - bar	43,942	42,462
	<u>87,451</u>	<u>92,424</u>

### 6 Financial Assets

CURRENT		
Term deposits	800,000	-

### 7 Property, plant and equipment

Buildings & Leasehold Improvements		
At cost	7,974,374	7,936,840
Accumulated depreciation	(1,429,366)	(1,227,364)
	<u>6,545,008</u>	<u>6,709,476</u>
Furniture & Gym Equipment		
At cost	148,561	192,080
Accumulated depreciation	(20,845)	-
	<u>127,716</u>	<u>192,080</u>
Motor vehicles		
At cost	60,351	60,351
Accumulated depreciation	(20,638)	(13,371)
	<u>39,713</u>	<u>46,980</u>
Office furniture & equipment		
At cost	618,328	536,651
Accumulated depreciation	(400,376)	(362,850)
	<u>217,952</u>	<u>173,801</u>

## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

### Notes to the Financial Statements For the Year Ended 30 April 2022

#### 7 Property, plant and equipment

	2022	2021
	\$	\$
Surf sports & Life saving equipment		
At cost	827,977	745,384
Accumulated depreciation	(552,355)	(499,665)
	<u>275,622</u>	<u>245,719</u>
	<u>7,206,011</u>	<u>7,368,056</u>

#### 8 Other Assets

CURRENT		
Prepayments	<u>35,058</u>	<u>40,392</u>

#### 9 Trade and Other Payables

CURRENT		
Trade payables	134,324	179,833
GST payable	22,042	-
Other payables	<u>102,505</u>	<u>26,966</u>
	<u>258,871</u>	<u>206,799</u>

#### 10 Other Financial Liabilities

CURRENT		
Deferred income	<u>338,227</u>	<u>176,231</u>

#### 11 Accumulated Surplus

Accumulated funds at the beginning of the financial year	8,277,434	8,005,874
Net surplus attributable to the Association	<u>486,490</u>	<u>271,560</u>
<b>Accumulated funds at the end of the financial year</b>	<u><b>8,763,924</b></u>	<u><b>8,277,434</b></u>

#### 12 Contingencies

In the opinion of the Committee, the Association did not have any contingencies at 30 April 2022 (30 April 2021: None).



## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

### Notes to the Financial Statements For the Year Ended 30 April 2022

#### 13 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Net surplus attributable to the Association	486,490	271,560
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	326,898	304,577
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	27,663	(63,372)
- decrease in prepayments	5,334	27,018
- decrease in inventories	4,973	5,975
- increase in income in advance	161,996	60,137
- increase in trade and other payables	52,073	136,956
Cashflows from operations	<u>1,065,427</u>	<u>742,851</u>

#### 14 Events after the end of the Reporting Period

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.

#### 15 Statutory Information

The registered office and principal place of business of the Association is:

North Bondi Surf Life Saving Club Inc.  
Campbell Pde  
North Bondi

## North Bondi Surf Life Saving Club Inc.

ABN: 77 272 419 031

### Committee's Declaration

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

The Committee of the Association declare that:

1. The financial statements and notes, as set out on pages 4 to 15, present fairly the state of affairs of the Association as at 30 April 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements; and
2. In the Committee's opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due and payable.

This statement is made in accordance with a resolution of the Committee:

President .....  
  
Andrew Christopher

Head of Finance .....  
  
Danny Ekins

Dated 12 July 2022

# INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NORTH BONDI SURF LIFE SAVING CLUB INC.

## Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report, being a special purpose financial report of North Bondi Surf Life Saving Club Inc. (the Association), which comprises the statement of financial position as at 30 April 2022, the statement of profit or loss and other comprehensive income, 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 Committee Members' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 April 2022 and of its financial performance for the year ended;
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012*;
- (iii) the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- (iv) the financial report and associated records of North Bondi Surf Life Saving Club Inc. have been properly kept during the year in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations;
- (v) money received as a result of fundraising appeals conducted during the year has been properly accounted for in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations; and
- (vi) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Committee Members of the Association, would be in the same terms if given to the Committee Members as at the time of this auditor's report.

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee Members' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. 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 Committee Members for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Committee Members' responsibility also includes such internal control as the Committee Members determine necessary to enable the preparation of a financial report that gives a true and fair view and 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 have no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Association'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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee Members, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Committee Members' 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 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 consolidated entity to cease to continue as a going concern.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with the Committee Members 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.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Committee Members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



PKF



SCOTT TOBUTT  
PARTNER

13 JULY 2022  
SYDNEY, NSW