

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC

ABN 99 632 467 963

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
ABN 99 632 467 963

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METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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BOARD OF MANAGEMENT'S REPORT

The Board of Management present their report on Metropolitan Caloundra Surf Life Saving Club Inc ("the club") for the financial year ended 30 April 2022.

Board of Management

The names of the Board of Management in office at any time during or since the end of the financial year:

Board Members	Position Held
James Chisholm	President
Graham Archdall	Treasurer
Leah Mooney	Secretary (resigned 16 July 2021)
Justine Ashworth	Secretary (appointed 16 July 2021)
Brent Hiley	Board member
Paula Ryan	Board member
Eliza Dreves	Board member
Ed Connolly	Board member

The Board of Management 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 club during the financial year were to prevent injury and the loss of life by providing quality surf life saving services on the beach at Metropolitan Caloundra and to promote, advance and control the work of Surf Life Saving, the resuscitation of the apparently drowned, the treatment and resuscitation of any person stung by any marine sting, and the application of first aid on surfing beaches and elsewhere.

Operating Results

The operating surplus of the club during the financial year was \$264,413 (2021: \$189,400 surplus).

Significant Changes in State of Affairs

No significant changes in the club's state of affairs occurred during the financial year.

After Balance Date Events

There were no events which occurred after balance date which materially affect these financial statements.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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BOARD OF MANAGEMENT'S REPORT (CONTINUED)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 3 of this financial report and forms part of the Board of Management's Report.

Signed in accordance with a resolution of the Board of Management:



.....
Graham Archdall
Treasurer

Metropolitan Caloundra

11th June 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF MANAGEMENT OF
METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Metropolitan Caloundra Surf Life Saving Club for the year ended 30 April 2022, I declare that to the best of my knowledge and belief, there have been:

- i. No contraventions of the auditor independence requirements of the 60-40 of 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.

MGI Audit Pty Ltd



S C Greene
Director

Brisbane

11 June 2022

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
ABN 99 632 467 963

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 \$	2021 \$
Revenue	2	751,268	599,367
Materials and consumables used		(92,723)	(53,466)
Administration expenses		(9,868)	(11,589)
Carnival expenses		(20,291)	(15,263)
Coaching expenses		(51,573)	(43,791)
Consultancy expenses		(17,231)	(24,004)
Communication and IT Costs		(20,907)	(21,650)
Depreciation expenses		(101,164)	(82,161)
Employee benefits expenses	3(a)	(27,750)	(28,457)
Finance costs	3(b)	(11,427)	(11,729)
Insurance		(19,995)	(18,582)
JAC expenses		(38,917)	(30,950)
Life saving and patrolling costs		(18,972)	(21,154)
Motor vehicle expenses		(3,899)	(3,204)
Loss from sale of assets		(1,024)	-
Occupancy costs		(21,904)	(18,422)
Repairs and maintenance costs		(6,657)	(8,380)
Printing and stationery		(2,181)	(3,032)
Other expenses	3(c)	(20,372)	(14,133)
Surplus before income tax		264,413	189,400
Income tax expense	1(a)	-	-
Surplus for the year		264,413	189,400
Other Comprehensive Income			
Total other comprehensive income		-	-
Total comprehensive income for the year		264,413	189,400
Surplus attributable to:			
Members of the club		264,413	189,400
Total comprehensive income attributable to:			
Members of the club		264,413	189,400

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Notes	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	388,236	330,477
Trade and other receivables	5	10,158	16,853
Inventories	6	39,026	29,010
Prepayments		9,264	9,260
Financial assets		20,608	-
TOTAL CURRENT ASSETS		<u>467,292</u>	<u>385,600</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	<u>1,141,500</u>	<u>1,055,647</u>
TOTAL NON CURRENT ASSETS		<u>1,141,500</u>	<u>1,055,647</u>
TOTAL ASSETS		<u><u>1,608,792</u></u>	<u><u>1,441,247</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	12,162	20,207
Provisions	9	1,560	3,094
Income in advance		-	66,667
Financial liabilities	10	<u>98</u>	<u>20,719</u>
TOTAL CURRENT LIABILITIES		<u>13,820</u>	<u>110,687</u>
NON CURRENT LIABILITIES			
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u><u>13,820</u></u>	<u><u>110,687</u></u>
NET ASSETS		<u><u>1,594,972</u></u>	<u><u>1,330,560</u></u>
MEMBERS EQUITY			
Asset Revaluation Reserve		288,859	288,859
Retained earnings		<u>1,306,113</u>	<u>1,041,700</u>
TOTAL MEMBERS EQUITY		<u><u>1,594,972</u></u>	<u><u>1,330,560</u></u>

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022

	Asset Revaluation Reserve \$	Retained Earnings \$	Total \$
Balance at 1 May 2020	288,859	852,300	1,141,159
Surplus attributable to the members of the club	-	189,400	189,400
Other comprehensive income for the year	-	-	-
Balance at 30 April 2021	288,859	1,041,700	1,330,559
Balance at 1 May 2021	288,859	1,041,700	1,330,559
Surplus attributable to the members of the club	-	264,413	264,413
Other comprehensive income for the year	-	-	-
Balance at 30 April 2022	288,859	1,306,113	1,594,972

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts and donations from customers		814,874	647,948
Payments to suppliers and employees		(508,417)	(323,591)
Finance costs		(11,427)	(11,729)
Net cash provided by operating activities		<u>295,030</u>	<u>312,628</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment of property plant and equipment		(196,042)	(114,788)
Net cash used in investing activities		<u>(196,042)</u>	<u>(114,788)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net repayment of borrowings		(20,621)	(15,053)
Net cash used in financing activities		<u>(20,621)</u>	<u>(15,053)</u>
Net increase / (decrease) in cash held		<u>78,367</u>	<u>182,787</u>
Cash at the beginning of financial year		<u>330,477</u>	<u>147,690</u>
Cash at the end of the financial year	11 (a)	<u><u>408,844</u></u>	<u><u>330,477</u></u>

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The financial statements cover Metropolitan Caloundra Surf Life Saving Club Inc ("the club") as an individual entity.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The club is a not-for-profit entity for financial report purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except the cash flow information, have been prepared on accrual 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. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

The financial statements were authorised for issue on *11th* June 2022 by the Board of Management.

Comparative Figures

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

(a) Income Tax

The *Australian Charities and Not-for-profit Commission* have endorsed the association as a charitable institution.

No provision for income tax has been raised as the association is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis or fair value as indicated less where applicable, less depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the club and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a diminishing value basis over their estimated useful lives to the club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Plant and equipment	10% - 20%
Craft equipment	10% – 20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit and loss and other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leases

At inception, the Club considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Club assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Club;
- the Club has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Club has the right to direct the use of the identified asset throughout the period of use. The Club assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Club recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Club, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Club depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Club also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Club measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Club's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leases (continued)

The Club has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The Club as a lessor

As a lessor, the Club classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the association commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and Subsequent Measurement of Financial Assets

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the association elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Impairment

The association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

To make such a determination that the financial asset has low credit risk, the association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets

At each reporting date, the club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(g) Employee Provisions

Provision is made for the club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits. Contributions are made by the club to employee superannuation funds and are charged as expenses when incurred.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
ABN 99 632 467 963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Provisions

Provisions are recognised when the club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Revenue Recognition

Contributed Assets

The club receives assets from the government and other parties from time to time for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the club recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The club recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amount.

Operating Grants, Donations and Bequests

When the club receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the club: - identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement

- recognises revenue as it satisfies its performance obligations. Where the contract is not enforceable or does not have sufficiently specific performance obligations, the club:
- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue Recognition (continued)

If a contract liability is recognised as a related amount above, the club recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the club receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The club recognises income in profit or loss when or as the club satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Revenue from the sale of goods

Revenue from sale of goods comprises revenue earned from sale of goods donated and resale. Sales revenue is recognised when the control of goods passes to the customer.

All revenue is stated net of the amount of goods and services tax (GST) where applicable.

(j) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(m) Trade 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 club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgements

The Board of Management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the club.

Key Estimates – Impairment

The Board of Management assess impairment at each reporting date by evaluating conditions specific to the club that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of the current year.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Fair Value of Assets and Liabilities

The club measures some of its assets and liabilities at fair value on either a recurring or nonrecurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the club would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

(p) Economic Dependence

The Club is dependent upon the ongoing receipt of donations and rental income from Metropolitan Caloundra Surf Life Saving Supporters Club to ensure the ongoing continuance of its operations. At the date of this report, the Board of Management has no reason to believe that this financial support will not continue.

(q) New and Amended Accounting Policies Adopted by the Club

New and Amended Accounting Policies Not Yet Adopted by the Club

AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The AASB has issued AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime. The Club does not anticipate material changes to its financial statements upon adoption of AASB 1060 in the 2023 financial year.

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 2: REVENUE AND OTHER INCOME	2022	2021
	\$	\$
QFES grant	25,193	46,765
Grants from other organisations	18,250	-
Annual dinner	3,418	1,018
Art union income	1,627	2,932
Clothing & merchandise	39,240	33,725
COVID 19 cash boost	-	10,000
Donations	51,437	90,217
Gain on sale of assets	2,273	6,091
Interest income	-	43
JAC income	25,482	20,162
Jobkeeper subsidy	-	21,750
Lifesaving camp	-	200
Membership income	82,826	80,713
Other grant income	127,822	49,706
Other income	8,497	39,075
Raffle income	31,011	3,955
Rental income	240,000	96,000
Sponsorship income	25,245	37,018
Surf rescue appeal	61,761	54,229
Surf sports camp	7,186	5,768
	<u>751,268</u>	<u>599,367</u>

NOTE 3: EXPENSES

(a) Employee benefit expenses

Wages and salaries	26,464	26,962
Leave entitlement expense	(1,534)	204
Superannuation	2,626	1,108
Workcover	194	183
	<u>27,750</u>	<u>28,457</u>

(b) Finance cost

Bank and merchant fees	3,779	3,028
Interest expenses	7,648	8,701
	<u>11,427</u>	<u>11,729</u>

(c) Other expenses

Affiliation fees	500	500
Training expenses	2,130	1,568
Awards and gifts	2,409	1,447
Member camps	(38)	4,375
Surf sports	9,052	1,874
Carnival expenses	1,600	1,675
Miscellaneous expenses	4,719	2,692
	<u>20,372</u>	<u>14,131</u>

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 4: CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash on hand	400	350
Cash at bank	387,836	330,127
	<u>388,236</u>	<u>330,477</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

Current

Trade debtors	8,378	11,280
GST receivable	-	2,578
Deposits	1,780	2,995
	<u>10,158</u>	<u>16,853</u>

NOTE 6: INVENTORIES

Surf Club Stock	39,026	29,010
	<u>39,026</u>	<u>29,010</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Clubhouse Building

- At cost	1,456,131	1,330,905
- Less accumulated depreciation	(531,224)	(473,149)
	<u>924,907</u>	<u>857,756</u>

Plant and Equipment

- At cost	110,054	99,398
- Less accumulated depreciation	(55,512)	(46,838)
	<u>54,542</u>	<u>52,560</u>

Sports & Rescue Equipment

- At cost	429,150	398,459
- Less accumulated depreciation	(274,927)	(254,719)
	<u>154,223</u>	<u>143,740</u>

Office Furniture & Equipment

- At cost	15,261	7,547
- Less accumulated depreciation	(7,433)	(5,956)
	<u>7,828</u>	<u>1,591</u>

Total plant and equipment

	<u>1,141,500</u>	<u>1,055,647</u>
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(b) Movements in carrying amounts

Movement in the carrying amounts of land and buildings, plant and equipment, sports & rescue equipment and office furniture equipment between the beginning and end of the current financial year

	Clubhouse Building	Plant and Equipment	Sports & Rescue Equipment	Office Furniture Equipment	Total
Balance at 1 May 2021	857,756	52,560	143,740	1,591	1,055,647
Additions	125,227	10,656	52,445	7,714	196,042
Disposals	-	-	(9,025)	-	(9,025)
Depreciation	(58,076)	(8,674)	(32,937)	(1,477)	(101,164)
Carrying Amount at 30 April 2022	924,907	54,542	154,223	7,828	1,141,500

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 8: TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Trade creditors	7,964	20,116
GST payable	3,719	
Employee benefits	479	91
	<u>12,162</u>	<u>20,207</u>

NOTE 9: PROVISIONS

Current

Long service leave	<u>1,560</u>	<u>3,094</u>
	1,560	3,094

NOTE 10: FINANCIAL LIABILITIES

Current

Credit card (WBC)	98	145
Bank bill business loan (WBC)	<u>-</u>	<u>20,574</u>
	98	20,719

The Bank bill business loan had a limit of \$482,338 at the 2022 balance date with an unused balance of \$502,946.40, this allowed the club a financial asset of \$20,608 at the balance date (2021; Limit \$531,699, unused balance of \$511,125). The loan is a 3 year term which commenced in 2019. The facility is secured on all existing and future assets and undertakings of the Club.

NOTE 11: CASH FLOW INFORMATION

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand, at banks and deposits or any other cash held that can be readily convertible to known amount of cash and be subject to an insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash on hand	400	350
Cash at bank	<u>387,836</u>	<u>330,127</u>
	388,236	330,477

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 12: FINANCIAL RISK MANAGEMENT

The club's financial instruments consist mainly of deposits with banks and short term financial liabilities.

The carrying amounts of each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2022	2021
	\$	\$
Financial Assets at Amortised Cost		
Cash at hand	400	350
Cash at bank	387,836	330,127
Total cash (or equivalent) financial assets	<u>388,236</u>	<u>330,477</u>
Trade and other receivables	10,158	16,853
Total financial assets	<u>398,394</u>	<u>347,330</u>
Financial Liabilities at Amortised Cost		
Trade and other payables	12,162	20,116
Financial liabilities	98	20,719
Total financial liabilities	<u>12,260</u>	<u>40,835</u>

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Metropolitan Caloundra Surf Life Saving Club Inc transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Metropolitan Caloundra Surf Life Saving Supporters Club Inc (MCSLSSC)

The club provides rental space on commercial terms to MCSLSSC. In addition, the club receives donations from MCSLSSC, contributions to rental outgoings and has trade debtor/creditor balances from time to time, as follows:

	2022	2021
Rent income	240,000	96,000
Donation income	25,635	83,167
Trade debtors	775	901

(b) Key Management Personnel

The total remuneration for all key management personnel for the year ended 30 April 2022 was \$Nil (2021: \$Nil).

NOTE 14: COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments receivable

Payable – minimum lease repayments

- not later than 12 months	-	-
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
Minimum lease repayments	-	-

The Club has entered into a non-cancellable lease with Metropolitan Caloundra Surf Life Saving Supporters Club Inc for the rent to be charged for the Supporters Club's proportion of the Surf Club building. The sub lease rent is to be reviewed annually, and therefore this is no commitment receivable to be disclosed for future years as at 30 April 2022.

(b) Contingent liabilities

There were no contingent liabilities at the reporting date. (2021: \$Nil)

(c) Capital expenditure commitments

There were no capital expenditure commitments at the reporting date.

NOTE 15: CLUB DETAILS

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

Metropolitan Caloundra Surf Life Saving Club Inc
1 Spender Ln, Kings Beach QLD 4551

METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC
ABN 99 632 467 963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

NOTE 16: EVENTS AFTER THE REPORTING DATE

There have been no subsequent events or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the club.

METROPOLITAN CALOUNDRA LIFE SAVING CLUB INC
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**STATEMENT BY THE MEMBERS OF THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 30 APRIL 2022**

The Board of Management declares that:

1. The financial statements and notes, as set out on pages 4 to 27 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 April 2022 and of the performance for the financial year ended on that date.
2. In the Board of Management' opinion there are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

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



.....
Graham Archdall
Treasurer

Metropolitan Caloundra

 June 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
METROPOLITAN CALOUNDRA SURF LIFE SAVING CLUB INC**

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the financial report of Metropolitan Caloundra Surf Life Saving Club Inc (the "Association"), which comprises the statement of financial position as at 30 April 2022 and the statement of profit or loss and other comprehensive income, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the Board of Management's declaration.

In our opinion, the accompanying financial report of Metropolitan Caloundra Surf Life Saving Club Inc is in accordance with the the *Australian Charities and Not for Profit Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 April 2022 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not for Profit Regulation 2013*.

Other Information

The Board of Management of the Association are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 April 2022, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. We are independent of the Association in accordance with the auditor independence requirements of section 60-40 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Board of Management of the Association for the Financial Report

The Board of Management of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not for Profit Act 2012* and for such internal control as the Board of Management determine is necessary to enable the preparation of the 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 Board of Management 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 Board of Management either intend to liquidated the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 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 judgment 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 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management'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 Association's ability to continue as a going concern. If we conclude 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 to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibility for the Audit of the Financial Report (Continued)

We communicate with the Board of Management 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 the audit.

MGI Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'S C Greene', with a stylized flourish at the end.

S C Greene

Director

11 June 2022
Brisbane