



Independent Audit Report to the Members of ACT Fencing Association for the year ended 31 December 2018

Opinion

We have audited the financial report of ACT Fencing Association Incorporated (non-reporting) (the Association), which comprises the balance sheet as at 31 December 2018, the income and expenditure statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee. In our opinion, subject to the effects of such adjustments, if any that might have been determined to be necessary had the limitation referred to in the qualification paragraph not existed, the accompanying financial report presents fairly, in all material respects, including:

1. giving a true and fair view of the Association's financial position as at 31 December 2018 and of its financial performance for the year ended; and
2. complying with the financial reporting requirements of the *Associations Incorporation Act 1991* (ACT).

Qualification

As is common for organisations of this type, it is not practicable for the association to maintain an effective system of internal control over all income amounts until their initial entry in the accounting records. Accordingly, our audit in relation to income amounts was limited to amounts recorded.

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 has been prepared to assist the association to meet the requirements of the *Associations Incorporation Act 1991* (ACT). 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 auditor independence requirements of 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.

Responsibilities of the Committee and Those Charged with Governance

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the *Associations Incorporation Act 1991* (ACT) and for such internal control as the committee determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error. In preparing the financial report, the committee is 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 either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Independent Audit Report to the Members of ACT Fencing Association for the year ended 31 December 2018 (continued)

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 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.

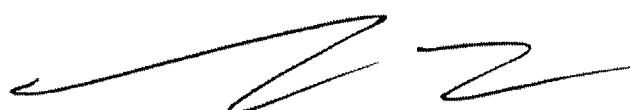
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, 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.

We communicate with the committee 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. We also provide the management 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.

KOTHES

Chartered Accountants



Simon Byrne

Partner

Registered Company Auditor #153624

Merimbula, 25 January 2019

Notes of the Financial Statements

ACT Fencing Association Inc

For the year ended 31 December 2018

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 1991* (ACT). The committee has determined that the association is not a reporting entity. The Association is registered with the Australian Business Register - Australian Business Number: 53 206 391 869. The Association registered for Goods and Services Tax from 1 July 2017.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

(a) Income Tax

The Association is registered as an income tax exempt charitable entity under subdivision 50-10 of the *Income Tax Assessment Act, 1997*. Consequently, no provision for taxation has been made in the financial statements.

(b) Property, Plant and Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all Plant and Equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The Depreciation method and useful life used for items of Plant and Equipment reflects the pattern in which their future economic benefits are expected to be consumed by the Association. Depreciation commences 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 method and useful life of assets is reviewed annually to ensure they are still appropriate.

(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 to sell 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) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due 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.

At the end of the reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the income and expenditure statement.

(e) Cash on Hand

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

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Affiliation fees are recognised as revenue when received or due to be received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

(g) 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.

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

	2018	2017
2. Cash and Cash Equivalents		
Main Account (Chq)	3,821.42	14,380.15
High Interest Account	59,873.40	18,681.16
Petty Cash	216.15	181.15
Total Cash and Cash Equivalents	63,910.97	33,242.46

	2018	2017
3. Trade and Other Receivables		
Trade Receivables	-	1,128.00
Total Trade and Other Receivables	-	1,128.00

	2018	2017
4. Plant & Equipment		
Plant & Equipment		
Plant and equipment at cost	88,522.46	86,472.20
Accumulated depreciation of plant and equipment	(66,704.10)	(59,141.68)
Total Plant & Equipment	21,818.36	27,330.52
Total Plant & Equipment	21,818.36	27,330.52

Statement by the Committee

ACT Fencing Association Inc

For the year ended 31 December 2018

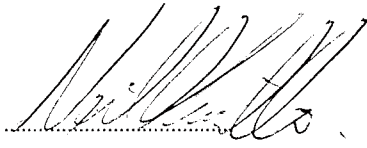
The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report as set out on pages 1 to 9:

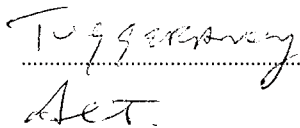
1. Presents a true and fair view of the financial position of ACT Fencing Association Incorporated (non-reporting) as at 31 December 2018 and its performance for the for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that ACT Fencing Association Incorporated (non-reporting) will be able to pay its debts as and when they fall due.

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

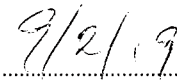
Committee Member: 

Committee Member: 

Place:


Tuggerah
ACT

Date:


9/2/19



25 January 2019

Our ref : 275078_1

The Committee
ACT Fencing Association Incorporated
PO Box 1148
WODEN ACT 2605

Dear Committee Members

RE: COMPLETION OF 31 DECEMBER 2018 AUDIT

We are able to advise that the audit of the financial statements for the year ended 31 December 2018 is near completion.

You will appreciate that our normal audit procedures are designed primarily to enable us to form an opinion on the accounts as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

AUDIT DOCUMENTS

As part of our audit procedures the following documents need to be signed and approved by your Committee for the audit to be complete. It would be appreciated that the copies marked for return to us are returned as soon as practical.

FINANCIAL STATEMENTS

The draft financial statements are attached. These statements have been prepared using the information provided. The draft financial statements need to be reviewed by the Committee as the Committee is responsible for their preparation. Once the Committee has reviewed the financial statements they should be approved as final with a formal resolution at your Committee meeting. We have included three sets of financial statements to be approved and signed by your Committee. It would be appreciated that after signing if one copy could be returned to us for our records.



SIGNATURES
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

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COMPLETION LETTER (continued)

AUDIT DOCUMENTS (continued)

MANAGEMENT REPRESENTATION LETTER

Enclosed is a draft copy of a management representation letter to be issued by your Committee to ourselves as auditors. In this letter the Committee are acknowledging responsibility for the appropriate presentation of the financial statements and that the Committee have approved the financial statements. We require you to issue this letter in order for our firm to comply with the mandatory auditing standards.

LETTER OF ENGAGEMENT

In accordance with Australian Auditing Standards we have issued you an engagement letter to confirm our terms of engagement for the 31 December 2019 financial year. This engagement letter will be effective for future financial years unless it is terminated, amended or superseded.

AUDIT FINDINGS

We are delighted to report that there were no matters relating to the audit which needed to be brought to your attention.

CONCLUSION

We would like to complement Gordon Christie on the efficient manner in which the accounting records are maintained. If you would like to discuss further any of the matters raised in this letter please do not hesitate to contact us.

Yours faithfully,

KOTHES

Chartered Accountants

A handwritten signature in black ink, appearing to be 'Simon Byrne', written in a cursive style.

SIMON BYRNE

Partner

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Email: simon.byrne@kothes.com.au