

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 April 2021

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 \$	2020 \$
Revenue	2	160,939	331,696
Net Finance Income	3	2,766	1,293
Cost of Goods Sold		(36,475)	(34,906)
Employee benefits expense		-	(480)
Depreciation expense		(53,116)	(51,158)
Other expenses	4	(136,617)	(105,185)
Surplus / (deficit) before income tax expense		(62,503)	141,260
Income tax expense	5	-	-
Surplus / (deficit) for the period		(62,503)	141,260
Total comprehensive income/(loss) for the period		(62,503)	141,260

The accompanying notes form part of these financial statements.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	2021 \$	2020 \$
Balance at beginning of period	1,115,686	974,426
Surplus / (deficit) for the period	(62,503)	141,260
Total comprehensive income/(loss) for the period	(62,503)	141,260
Balance at end of period	1,053,183	1,115,686

The accompanying notes form part of these financial statements.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note	2021	2020
		\$	\$
CURRENT ASSETS			
Cash & cash equivalents	6	163,824	146,523
Trade & other receivables	7	58,575	16,451
Inventories	8	21,689	21,212
Financial assets	9	75,335	72,648
TOTAL CURRENT ASSETS		319,423	256,834
NON-CURRENT ASSETS			
Plant and equipment	10	859,768	872,433
TOTAL NON-CURRENT ASSETS		859,768	872,433
TOTAL ASSETS		1,179,191	1,129,267
 CURRENT LIABILITIES			
Trade & other payables	11	26,087	13,581
Deferred Income	12	99,921	-
TOTAL CURRENT LIABILITIES		126,008	13,581
NON-CURRENT LIABILITIES			
Other		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		126,008	13,581
NET ASSETS		1,053,183	1,115,686
 MEMBERS FUNDS			
Accumulated Surplus		1,053,183	1,115,686
TOTAL MEMBERS FUNDS		1,053,183	1,115,686

The accompanying notes form part of these financial statements.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		122,447	321,961
Interest received		2,766	1,293
Grants & Subsidies received		36,147	-
Payments to suppliers and employees		(86,466)	(145,760)
Net GST Refunded by/(paid to) ATO		(14,455)	-
Net cash provided by (used in) operating activities	15	60,439	177,494
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(40,451)	(141,675)
Net cash provided by (used in) investing activities		(40,451)	(141,675)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds / (Repayment) of borrowings		-	-
Net cash provided by (used in) financing activities		-	-
Net increase in cash held		19,988	35,819
Cash and cash equivalents at 1 May 2020		219,171	183,352
Cash and cash equivalents at 30 April 2021	15	239,159	219,171

The accompanying notes form part of these financial statements.

**BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover Black Head Surf Life Saving Club Incorporated as an individual entity. Black Head Surf Life Saving Club Incorporated is an association incorporated in New South Wales under the Associations Incorporations (NSW) Act 2009. The Association is domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the requirements of the Australian Charities and Not-for Profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The financial statements are presented in Australian dollars and have been prepared on an accruals basis and are based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements.

The accounting policies have been consistently applied, unless otherwise stated.

The financial statements were approved by the Committee on 5 July 2021.

Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Leases

Leases are capitalised, recognising a right to use asset and a lease liability.

The right to use asset is initially recognised at the present value of the lease payments that are unpaid at the date of recognition. Lease payments are discounted at the interest rate implicit in the lease.

The lease liability is initially recognised at the carrying amount of the right to use asset increased by the interest on the lease liability.

Right of use assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

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

Financial Instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition non derivative financial instruments are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at call deposits with banks or financial institutions. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Investments

If the Association has the positive intent to hold debt securities to maturity, then they are measured at amortised cost using the effective interest rate method less any impairment losses.

Trade & other payables

Trade and other payables are stated at their cost.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset. The costs of day to day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in the profit or loss.

Depreciation

The depreciable amount of all plant & equipment is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Land is not depreciated. Rates and methods are reviewed annually for appropriateness.

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

<i>Class of depreciable asset</i>	<i>Depreciation Rate</i>
Buildings	4-5%
Plant and Equipment	10-33%
Leasehold Improvements	4-5%

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

Impairment

At each reporting date the Association reviews the carrying values of its financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the difference between the assets carrying amount and the estimated future cash flows discounted at the original effective interest rate is recognised through the profit and loss as an impairment loss.

The carrying value of the Association's non financial assets are also reviewed at each reporting date to determine if there is an indication of impairment. If an indication exists then the assets recoverable amount, being the higher of its value in use and its fair value less costs to sell, is estimated. An impairment loss is recognised in the profit and loss if the carrying amount exceeds the recoverable amount.

Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, annual leave and sick leave arising from services rendered by employees to the reporting date represent present obligations. Employee benefits expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs such as workers compensation and payroll tax (where applicable).

Long-term benefits

Other 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. The discount rate is the yield at reporting date on AA credit rated or government bonds that have maturity dates approximating the Association's obligations.

Superannuation

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Income Tax

The Association has been granted an exemption from Income tax under Section 50-45 of the Income Tax Assessment Act 1997. The exempt status of the Association applies indefinitely or until such time as a change in circumstances warrants a review of the exempt status. The Association is also an income tax exempt charity and public benefolent institution and is eligible for GST and FBT concessions.

Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

Comparative Figures

Where required Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue

Revenue from the sale of goods is recognized on delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from government subsidies is recognised in the period advised by the funding body for the delivery of service.

Revenue from membership subscriptions is recognized as received.

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

Goods and services tax

Revenues, 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). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are included in the Statement of Cash Flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

Government Grants

An unconditional government grant is recognised in the profit or loss as other income when the grant is received.

Grants received to assist in the construction of non current assets is recognised on a percentage of completion basis of the construction in accordance with AASB1058.

Finance income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

New Standards and Interpretations not yet adopted

The Committee considers that new standards and interpretations currently issued but not yet applicable will not have a significant impact on the Association's financial statements.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

NOTE 2: REVENUE AND OTHER INCOME	Note	2021 \$	2020 \$
Revenue			
— Bar sales		47,286	53,888
— Fundraising Income		33,583	57,683
— Memberships		23,963	17,434
— Clothing & Sunscreen		1,725	3,364
— Sundries		1,390	6,656
— Grant – Other	12a	16,147	178,489
— Sponsorship		7,545	14,000
— Equipment sales		9,300	182
Total Revenue		140,939	331,696
Other income			
— Government COVID 19 subsidies		20,000	-
		20,000	-
Total Revenue		160,939	331,696
 NOTE 3: FINANCE INCOME			
Interest revenue from:			
— Other persons		2,766	1,293
Total Interest Income		2,766	1,293
 NOTE 4: OTHER EXPENSES			
Capitation Fees		10,254	2,055
Equipment purchases		39,417	1,772
Grant expenses – toilet block		17,592	-
Grant expenses – other		-	2,045
Repairs & Maintenance		19,178	31,016

NOTE 5: INCOME TAX EXPENSE

The Association is exempt from Income Tax under section 50-5 of the Income Tax Assessment Act 1997.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
	\$	\$
NOTE 6: CASH & CASH EQUIVALENTS		
Cash on hand	-	-
Cash at bank	163,824	146,523
	163,824	146,523

NOTE 7: TRADE & OTHER RECEIVABLES

CURRENT

Trade debtors	57,625	16,451
Prepayments	950	-
	58,575	16,451

Amounts are non-interest bearing. None of the Association's receivables are past due (2020: Nil). The Association's receivable are aged 0 – 90+ days.

NOTE 8: INVENTORIES

Bar	6,088	5,611
Clothing	15,601	15,601
	21,689	21,212

NOTE 9: FINANCIAL ASSETS

CURRENT

Stacks Mortgage Fund	75,335	72,648
	75,335	72,648

Funds are at call. The effective interest rate at 30 April 2021 was 3.11% (2020: 4.01%). Interest is paid quarterly and reinvested. The interest rate varies depending on prevailing market conditions. A 1% change in interest rates would mean either a \$753 increase or decrease in the profit or loss.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

	2021	2020
	\$	\$
NOTE 10: PLANT AND EQUIPMENT		
Leasehold Improvements - at cost	1,180,163	1,169,856
Accumulated depreciation	(436,483)	(405,143)
	743,680	764,713
Plant & Equipment	271,687	241,545
Accumulated depreciation	(155,599)	(133,825)
	116,088	107,720
Total Plant & equipment	859,768	872,433

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Leasehold Improvements	Plant & Equipment	Total
Balance at beginning of year	764,713	107,720	872,433
Additions	10,307	30,144	40,451
Disposals	-	-	-
Depreciation expense	(31,340)	(21,776)	(53,116)
Carrying amount at end of year	743,680	116,088	859,768

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

NOTE 11: TRADE & OTHER PAYABLES	2021	2020
CURRENT	\$	\$
Trade creditors	22,192	7,058
Sundry creditors	4,240	-
GST Payable	(345)	6,523
	26,087	13,581

Amounts are non-interest bearing. Creditors are expected to be paid within 30 days.

NOTE 12: DEFERRED INCOME

Unspent grants	99,921	-
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a. Movements in Deferred Income

Movement in the deferred income for each grant received and unspent at reporting date.

	Office Sport & Recreation	Office of Responsible Gambling	Office of Sport & Recreation	SLS Grants	Office of Sport & Recreation
Grant	4,660	179,887	97,847	11,157	4,990
Expensed during year	-	-	-	(11,157)	(4,990)
Offset by capital expenditure	(4,660)	(79,966)	(97,847)	-	-
Balance at year end deferred	-	99,921	-	-	-

NOTE 13: CONTINGENT LIABILITIES

Contingent Liabilities – Clubhouse Site

A contingent liability exists for the rectification of the leased Clubhouse site in accordance with the lease agreement between the Club and the Department of Lands. The Club at this time does not believe any amount will be payable for the completion of rectification works.

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

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

NOTE 14: CAPITAL AND LEASING COMMITMENTS

Operating and Finance Lease Commitments

The lease of Clubhouse site with the Department of Lands was renewed in August 1999 for the term of 20 years. The Club is finalising negotiations for a renewed lease with Department of Lands which was due for signing in October 2020. The new lease is for a period of 20 years commencing on the 9th August 2019 with an option for a further 20 years.

The Club's current and future annual rental liabilities are as follows:

Clubhouse Land \$230 per annum after rent waiver

AASB 116: Leases has an application date of 1 January 2019. The standard requires the Association to recognize a right of use asset and corresponding lease liability when it has the right to control the use of an identified asset for a period of time. At the date of this report the Committee have determined that any right of use asset is a low value lease asset and payments associated with these assets are expensed.

Capital Commitments

The Association has no material capital commitments at the 30th April 2021.

NOTE 15: CASH FLOW INFORMATION	2021	2020
	\$	\$
a. Reconciliation of Cash Flow from Operations with Surplus /(Deficit) after Income Tax		
Surplus / (Deficit) after income tax	(62,503)	
Non-cash flows in surplus / (deficit)		
Depreciation	53,116	
Changes in assets and liabilities		
Decrease/(increase) in inventories	(477)	
Decrease/(increase) trade and other receivables	(42,124)	
Increase/(decrease) in trade and other payables	12,506	
Increase/(decrease) in deferred income	99,921	
Cash flows from operations	60,439	

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:

Cash & cash equivalent	163,824	146,523
Financial assets	75,335	72,648
	239,159	219,171

BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691

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

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the reporting period no matter or circumstance has 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 subsequent years except for:

- the finalisation of the lease renewal between the Club and Crown Land/Mid Coast Council. SLSNSW is currently assisting with these negotiations.
- the ongoing impact of COVID19 on Club operations and fundraising.

NOTE 17: FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the Association if a customer fails to meet its obligations and arises principally from the Association's receivables from customers. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and the Notes to the Financial Statements.

Trade and other receivables

The Association's exposure is influenced mainly by the individual characteristics of each customer. Customers are Club members who pay annual subscriptions and people who hire and use the Clubs premises.

Investments

The Association limits its exposure to credit risk by investing in term deposits with recognised financial institutions.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. To ensure it can meet its obligations the Association invests excess funds in a cash management account, term deposit and monitors daily expenditure.

Market risk

Market risk is the risk that changes in market conditions will affect the Association's income. The Association has exposure to market risk as it is reliant on the continued use of facilities and on memberships. Government initiatives can have a significant impact on this risk area and will continue to do so in future years.

Interest rate risk

Investments in held to maturity investments are not exposed to interest rate risk and they are invested at a fixed interest rate and short term receivables and payables are not exposed to interest rate risk as they are non interest bearing.

Fair value

Unless otherwise stated carrying amounts disclosed on the Statement of Financial Position are the fair value of the financial assets and liabilities.

**BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

NOTE 18: RELATED PARTY TRANSACTIONS

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

Salaries & Wages

During the 2020 year, salaries and wages were paid to certain members of the club who had volunteered to assist with various functions held at the clubhouse. The duties included bar, waiting on tables and cleaning/set-up of functions held at the clubhouse. The staff were required to be provided to ensure the club complied with the responsible service of alcohol laws. All amounts paid were in accordance with the relevant State and Federal Awards and were reimbursed to the club by the parties who had hired the clubhouse.

NOTE 19: ASSOCIATION DETAILS

The registered office and the principal place of business of the Association is:
1 Main Street Black Head NSW 2430

**BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED
ABN 39 153 927 691**

STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

In the opinion of the Board of Management

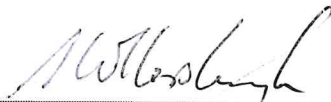
1. the financial statements and notes, as set out on pages 2 to 15 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013; and
 - b. give a true and fair view of the financial position of the Association as at 30 June 2021 and its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

President



Treasurer



Dated this 20th day September 2021

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED**

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Black Head Surf Life Saving Club Incorporated (the Association), which comprises the Statement of Financial Position as at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Statement by Members of the Board of Management.

In our opinion, except for the effect if any of the matters noted in the Basis for Qualified Opinion paragraph, the accompanying financial report of Black Head Surf Life Saving Club Incorporated, is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the association's financial position as at 30 April 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for Qualified Opinion

As is common with organisations of this type we are unable to verify whether amounts of fundraising income are completely accounted for until they are entered into the accounting records and as such cannot confirm the amount disclosed as fundraising income is complete.

We were also not the auditors for the 2020 financial year and despite completing testing to confirm the 2020 comparative amounts we are unable to confirm that the comparative information included in this report is accurate and complete.

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

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2021, 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.

Responsibilities of the Board of Management for the Financial Report

The members of the Board of Management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Board of Management members 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 liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's 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.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BLACK HEAD SURF LIFE SAVING CLUB INCORPORATED**

- 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 directors.
- Conclude on the appropriateness of the Board of Managements' 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 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. 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 our audit.

We also provide the Board of 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. From the matters communicated with the Board of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Essential Assurance Services Pty Ltd
ABN 51 119 802 229
Authorised Audit Company #305383



Signed by: Rhonda Futterleib
Address: 22 Pulteney Street, Taree, NSW, 2430
Dated this 21st September 2021