

South East City Residents Association Incorporated

Independent auditor's report to members

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial report of South East City Residents Association Incorporated (the Association), which comprises the Summary Report as at 30 June 2021 and Total Receipts and Payments for the year then ended.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2021, and its financial performance for the year then ended.

Basis for Qualified Opinion

Subscriptions and donations are significant sources of revenue for the Association. The Association has determined that it is impracticable to establish controls over the collection of subscription and donation revenue prior to the entry into its financial records.

Accordingly, as the evidence available to us regarding revenue from subscriptions and donations were limited to amounts already recorded in the financial records, our audit procedures with respect to subscriptions and donations were restricted to these amounts. We are therefore unable to express an opinion as to whether subscriptions and donations recognised by the Association are 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 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 qualified opinion.

CHARTERED ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

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Responsibilities of the Committee Members for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements and for such internal control as the Committee determines 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 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 intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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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 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.

William Buck

William Buck (SA)
ABN 38 280 203 274

M.D. King

M.D. King
Partner

Adelaide, 8th November, 2021.

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& ADVISORS**

Level 6, 211 Victoria Square
Adelaide SA 5000

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