

INDEPENDENT AUDIT REPORT

To the Members of the South Australian Homing Pigeon Association Inc.

We have audited the accompanying special purpose financial report comprising: Profit and Loss Statement, Balance Sheet and Notes to the Accounts, of the South Australian Homing Pigeon Association Inc. for the 12 months ended 31 December 2021.

The Officers of the Association responsibility for the financial report

The Officers of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the basis of accounting meets the needs of the members. The Officers of the Association responsibility also includes such internal control as those charged with governance determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit.

We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the Association's preparation of the financial report to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by those charged with governance as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Emphasis of Matter

We draw attention to the limitations that exist in relation to the establishment of accounting controls over cash collected from all sources prior to receipt in the accounting records. Accordingly, our audit in relation to these items was limited to amounts recorded. Our opinion is unmodified in respect of this matter.

**Basis of accounting**

Without modifying our opinion we draw attention to the purpose of accounting for the financial report. The financial report has been prepared for the purpose of fulfilling the Officers of the Association reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

Basis of accounting – accruals and cash basis

Without modifying our opinion we draw attention to the transitional change in the basis of accounting from an accruals basis to a cash basis. Although there are some accruals accounted for up to 31 December 2021 the Committee expects to present complete cash basis reports for the year ending 31 December 2022. This change does not have an impact on the overall operation of the Association but rather changes to the timing of income and expenditure to ensure all transactions are completed within the reporting period.

Basis of accounting - Inventory Valuation

Without modifying our opinion we draw attention to the change in the valuation of inventory. Inventories have been recognised at recoverable value as at 31 December 2021.

Basis of accounting – full expensing of equipment

Without modifying our opinion we draw attention to a change in the basis of accounting in relation to equipment and asset purchases. The Committee resolved to apply common accounting practices to fully expense equipment and assets purchased during the year. As a result only significant capital equipment was capitalised and added to the depreciation schedule.

Opinion

In our opinion, the financial report of the South Australian Homing Pigeon Association Inc. presents fairly, in accordance with the accounting principles described in Note 1, the South Australian Homing Pigeon Association Inc. financial position as at 31 December 2021 and of its financial performance for the 12 months then ended.

A handwritten signature in black ink, appearing to read 'Cheryl Cox', written in a cursive style.

Cheryl Cox CA, CTA
Chartered Accountant
Director
H.U Partners
2/370 Main South Road
MORPHETT VALE SA 5162

Dated this 23rd February 2022
