

Our reference: TG/1389758\_1

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
NATIONAL RED BALLOON DAY**

**Report on the Audit of the Financial Report**

**Qualified Opinion**

We have audited the accompanying financial report of National Red Balloon Day, which comprises the balance sheet as at 31 March 2018, and the profit & loss statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the financial report gives a true and fair view of the financial position of National Red Balloon Day as of 31 March 2018, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Reform Act 2012.

**Basis of Qualified Opinion**

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

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 audit opinion.

**Emphasis of Matter - Basis of Accounting**

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 Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## **Responsibilities of the Committee for the Financial Report**

The committee of the National Red Balloon Day are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012 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, committees 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 committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

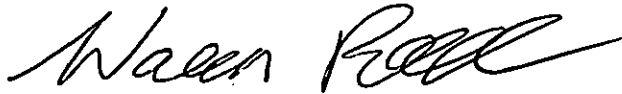
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 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.



**Warren Pollock**  
**MGR ACCOUNTANTS**  
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1 June 2018

**National Red Balloon Day**  
**Balance Sheet**  
As of March 31, 2018

	<u>Mar 31, 18</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Chequing/Savings</b>	
National Red Balloon Day	7,902.77
<b>Total Chequing/Savings</b>	<u>7,902.77</u>
<b>Accounts Receivable</b>	
Trade receivables	-2.86
<b>Total Accounts Receivable</b>	<u>-2.86</u>
<b>Other Current Assets</b>	
Inventory Asset	5,686.75
Petty Cash Opening Balance	100.00
<b>Total Other Current Assets</b>	<u>5,786.75</u>
<b>Total Current Assets</b>	<u>13,686.66</u>
<b>TOTAL ASSETS</b>	<u><u>13,686.66</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Committed Pledges	4,902.76
<b>Total Other Current Liabilities</b>	<u>4,902.76</u>
<b>Total Current Liabilities</b>	<u>4,902.76</u>
<b>TOTAL LIABILITIES</b>	<u><u>4,902.76</u></u>
<b>NET ASSETS</b>	<u><u>8,783.90</u></u>
<b>EQUITY</b>	
Opening Bal Equity	1,100.00
Retained Earnings	7,730.55
Net Income	-46.65
<b>TOTAL EQUITY</b>	<u><u>8,783.90</u></u>

**National Red Balloon Day**  
**Profit & Loss**  
 April 2017 through March 2018

	<u>Apr 17 - Mar 18</u>
<b>Income</b>	
Discounts Given	-3,114.60
Donations Received	3,403.81
Grants Received	2,000.00
Postage Income	665.20
Sales	12,961.00
Uniforms	0.00
<b>Total Income</b>	<u>15,915.41</u>
<b>Cost of Goods Sold</b>	
Cost of Goods Sold	4,518.49
<b>Total COGS</b>	<u>4,518.49</u>
<b>Gross Profit</b>	11,396.92
<b>Expense</b>	
Accommodation	150.41
Accountancy fees	605.00
Distributions	
New South Wales	384.28
Northern Territory	14.93
Queensland	318.84
South Australia	681.06
Tasmania	43.94
Victoria	2,069.17
Western Australia	1,390.55
<b>Total Distributions</b>	<u>4,902.77</u>
Event Costs	50.01
Fees and permits	14.90
Fuel and oil	70.70
General expenses	32.90
Grant Expenditure	
Bendigo Event	2,192.00
Reimbursement of Fuel	6.39
<b>Total Grant Expenditure</b>	<u>2,198.39</u>
Insurance	872.62
Paypal Expenses	87.08
Permits,licences,fees	56.90
Postage	959.76
Stocktake adjustment	327.56
Telephone	1,114.57
<b>Total Expense</b>	<u>11,443.57</u>
<b>Net Income</b>	<u><u>-46.65</u></u>