

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE CHILDREN'S BOOK COUNCIL OF AUSTRALIA (SA BRANCH)  
INCORPORATED**

**Qualified Opinion**

We have audited the financial report of The Children's Book Council of Australia (SA Branch) Incorporated (the Entity), which comprises the Statement of Financial Position as at 31 December 2017, the Statement of Receipts and Payments for the year then ended, Notes to the Financial Statements and Management Committee's Declaration.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2017, and of its financial performance for the year then ended in accordance with the *Associations Incorporation Act 1985*.

**Basis for Qualified 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 Entity 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.

Subscriptions and book week material sales are a significant source of revenue for the Children's Book Council of Australia (SA Branch) Inc. The committee have determined that it is impracticable to establish controls over the collection of these revenue items prior to entry into the financial records. Accordingly, our audit procedures with respect to subscriptions and book week material sales had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenue from subscriptions and book week material sales is complete. A further qualification is due to an error in the comparative figure for the cheque account. The reconciled opening balance forming part of this year's financial statements is correct.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Entity to meet the requirements of the Associations Incorporation Act 1985. As a result, the financial report may not be suitable for another purpose. We also advise that the Expenditure statement refers to the year ended 31 December 2016 (for the closing bank balances).

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines 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.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**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 judgment 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 Entity'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 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 Entity'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 Entity 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 directors 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.

**ACCRU+ HARRIS ORCHARD**



**BEN WILLINGTON**  
**DIRECTOR**

Dulwich, 12 February 2018



THE CHILDREN'S  
BOOK COUNCIL  
OF AUSTRALIA  
SA BRANCH

Patron : Mrs Lan Le

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## STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDING DECEMBER 31, 2017

### RECEIPTS

Opening Balance 1 January 2017 - Society Cheque Account	\$	7,479.13
01/01/2017 Portfolio Cash Management Account	\$	8,634.54
Membership Subscriptions 2017	\$	4,508.63
Membership Subscriptions 2018	\$	81.81
Book Week Material 2016	\$	554.01
Book Week Material Postage 2016	\$	46.37
❖ Book Week Material 2017	\$	188.09
Bank interest - Society and Portfolio accounts	\$	15.96
GST - Tax	\$	1,248.92
Donation	\$	9.09
AGM 2017 Raffle	\$	83.64
And the Winner Is..., entrance, raffle etc	\$	930.33
Picture This - Arts Idea Night, entrance, raffle, etc	\$	1,970.91
Book Week Dinner, entrance, raffle, quizzes, donations etc	\$	3,162.73
❖❖ Author/Illustrator Breakfast, entrance, raffle, etc	\$	933.64
Total	\$	<u>29,847.80</u>

Patron : Mrs Lan Le

## EXPENDITURE

❖ Book Week - Merchandise	\$	188.10
Website management	\$	152.73
Bank – Credit Card Fees	\$	610.00
GST - Tax	\$	950.05
Accru Harris Orchard, auditor fees + Bank Audit Fees	\$	800.00
Insurance, volunteer & Public Liability (covered nationally)	\$	0.00
Membership Refund	\$	54.54
GPO Box Rental / additional postage	\$	367.27
Sundries, stationery, photocopying, name badges etc	\$	127.18
CBCA Banners	\$	272.73
AGM, National	\$	250.58
AGM, SA Branch meeting costs	\$	64.35
BOTY (Book of the Year) announcement event	\$	787.55
And the Winner Is..., catering etc	\$	258.18
Picture This - Arts Idea Night, presenter's gift, etc	\$	902.59
❖❖ Champion Pics prizes	\$	90.91
Book Week Dinner Function, dinner, gift, prizes etc	\$	3,049.40
Book Week Dinner 2015 speakers fee	\$	318.18
❖❖ Author / Illustrator Breakfast	\$	1,036.36
Nan Chauncy Levy	\$	150.00
Gifts, flowers (other)	\$	105.46
Room booking fee	\$	30.68
Closing balance 31/12/2016 - Society Cheque Account	\$	10,645.59
Closing balance 31/12/2016 - Portfolio Cash Management Account	\$	8,635.37
	Total \$	<u>29,847.80</u>

This report covers 1 January 2017 to 31 December 2017.

❖ Please note in 2017, for financial reasons, the Committee decided not to sell 2017 CBCA Book Week merchandise. People were directed to either the Online Shop or the Victorian Branch for invoice orders. Unfortunately payments were made to the South Australian instead of the Victorian Branch and some refunds were arranged.

❖❖ As part of the prizes for Champion Pics, winners were able to select attending the Author/Illustrator Breakfast instead of a book voucher. Three children with parents chose to attend the Breakfast. This means that income and expenditure for the Breakfast and Champion Pics should be viewed in this light.

I have examined the books, records and vouchers of The Children's Book Council of Australia (South Australian Branch) Incorporated for the period from 1 January 2017 to 31 December 2017m and in my opinion, the Statement of Receipts and Payments is properly drawn up so as to exhibit a true and fair view of the Council's operations for the year.



THE CHILDREN'S  
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**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDING DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
Cash at Bank (cheque A/c)	\$ 10,645.59	\$ 16,423.66
Cash Management Account	\$ 8,635.37	\$ 8,634.54
<b><u>TOTAL ASSETS</u></b>	<u>\$ 19,280.96</u>	<u>\$ 25,058.20</u>
<b><u>LIABILITIES</u></b>	\$ -	\$ -
<b>EXCESS ASSETTS OVER LIABILITIES</b>	<u>\$ 19,280.96</u>	<u>\$ 25,058.20</u>
<b><u>Represented by:</u></b>		
<b>Accumulated Funds</b>	<u>\$ 19,280.96</u>	<u>\$ 25,058.20</u>



## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Summary of Significant Accounting Policies**

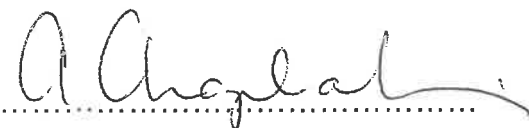
This special purpose financial report was prepared for distribution to the members to fulfil the committee's financial reporting requirements under The Children's Book Council of Australia (SA Branch) Incorporated constitution and the Associations Incorporation Act 1985. The accounting policies used in the preparation of this report are consistent with the financial reporting requirements of The Children's Book Council of Australia (SA Branch) Incorporated constitution and, in the opinion of the committee, are appropriate to meet the needs of members:

- a) The financial report was prepared on a modified accrual basis of accounting, including the historical cost convention and the going concern assumption.
- b) The requirements of accounting standards and other professional reporting requirements in Australia do not have mandatory applicability to The Children's Book Council of Australia (SA Branch) Incorporated because it is not a 'reporting entity'.

## **MANAGEMENT COMMITTEE'S DECLARATION**

The Management Committee declares that:

- a) The Statement of Receipts and Payments presents fairly the financial performance for the year ending 31<sup>st</sup> December 2017; and
- b) In the Management Committee's opinion, there are reasonable grounds to believe that The Children's Book Council of Australia (South Australian Branch) Inc. will be able to pay its debts when they fall due.



Anna Angelakis

For the Management Committee

Dated this 9<sup>th</sup> day of January, 2018