



South West Cycle Club

9 December 2014

AMD Chartered Accountants
PO Box 1306
BUNBURY WA 6230

Dear Sirs/Madam

REPRESENTATION LETTER

This representation letter is provided in connection with your audit of the financial report of South West Cycle Club Inc. for the year ended 30 September 2014, for the purpose of you expressing an opinion as to whether the financial report gives a true and fair view in accordance with the cash basis of accounting as outlined within Note 1.

We confirm that (to the best of our knowledge and belief, having made such enquires as we considered necessary for the purpose of appropriately informing ourselves):

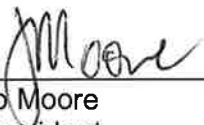
Financial Report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 6 December 2010, for the preparation of the financial report in accordance with the cash basis of accounting as outlined within Note 1; in particular the financial report gives a true and fair view in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial report have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial report as a whole.
- The selection and application of accounting policies are appropriate.

- There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial report or as a basis for recording an expense.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
- There are no liabilities, both actual and contingent, that have arisen which we have not disclosed to you.
- There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than as disclosed in the financial report.
- The organisation is considered to be a non-reporting entity because it is likely that all users of the financial statements are able to obtain financial information by access to Committee.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



Jo Moore
President
South West Cycle Club Inc.



Mark Thomas
Treasurer
South West Cycle Club Inc.

16 December 2014

Mrs J Moore
President
South West Cycle Club Inc.
PO Box 1208
BUNBURY WA 6230

Dear Jo

30 SEPTEMBER 2014 MANAGEMENT REPORT

Following completion of our 30 September 2014 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of South West Cycle Club Inc. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist those responsible for governance in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate South West Cycle Club's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of South West Cycle Club's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what South West Cycle Club perceives should be tested.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.



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Inevitably in the environment of an organisation with a limited number of volunteers available to undertake accounting and administration roles, it is impracticable to have good division of duties and internal checks in place in relation to invoicing and receipting, processing and preparation of payments and recording of transactions. As a result, there is inherently an increased risk that errors or omissions may go undetected.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of the Committee. As a result, it is important that the Committee place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to the Committee's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Other Matters

Due to the high quality of the financial records provided to us, we are pleased to report were no audit adjustments or recommendations arising from our 30 September 2014 audit.

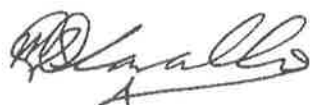
Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

We would like to take this opportunity to thank Mark for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants



MARIA CAVALLO CA
Partner

SOUTH WEST CYCLE CLUB INC.

FINANCIAL REPORT

**FOR THE PERIOD ENDED
30 SEPTEMBER 2014**



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SOUTH WEST CYCLE CLUB INC.

**STATEMENT OF CASH RECEIPTS AND CASH PAYMENTS
FOR THE PERIOD 3 OCTOBER 2013 TO 30 SEPTEMBER 2014**

	2014
	\$
Receipts	
BHP Matched Program	2,280
Clothing	13,168
Donations	400
Interest Bank West	702
Junior Development	6,890
Membership	5,432
Nominations	-
Armadale Kermesse	54
Busselton Criterium	6,022
Cristal Team Series	5,096
Dardanup Open	3,050
Harvey Dam Event	775
Pile Rd Hill Climb	201
Ride with the Pro's	50
State ITT Championships	1,762
Stoffers Road Race	448
SW Criterium Cships	167
SWCC Criterium	1,287
SWCC Road Championships	286
SWCC Time Trial	771
Team Series and Dardanup	344
Raffle Income	50
Sponsorships	-
Busselton Criterium	8,000
Cristal	6,000
Shire of Dardanup	3,000
Department of Sport	4,000
Harvey Dam	4,850
RAC	10,000
Total Receipts	85,085

SOUTH WEST CYCLE CLUB INC.

**STATEMENT OF CASH RECEIPTS AND CASH PAYMENTS
FOR THE PERIOD 3 OCTOBER 2013 TO 30 SEPTEMBER 2014**

	2014
	\$
Payments	
Advertising	300
Bank Fees	84
Bus Hire	100
Busseton Crit	12,992
Clothing	21,224
Coffee vouchers	1,106
Commissaire Expense	270
Bayla Donation - Collie	200
Events	290
Fitzroys Cycles - Dardanup 2013	882
Groceries	451
Insurance	1,020
Junior Coaching	10,732
Junior Expense	7,188
Lighting expense	200
Nomination - Tour of MR	1,800
Other Expense	1,884
other Donations	200
other Rental Expense	260
Photocopy Expense	100
Photography Expense	330
Printing Expense	150
Prize Expense	4,204
Prize money Expense	1,220
Refund	50
Shire Expense	240
Soft Drink Expense	157
Sound system Expense	1,114
Timing Expense	705
Traffic Management Expense	1,452
Trailer Lic	70
Travel Expense	281
Web/Computer	495
Total Payments	71,751
SURPLUS FOR THE PERIOD	13,335

SOUTH WEST CYCLE CLUB
STATEMENT OF CASH BALANCES
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014
	\$
Opening Cash Balance at 2 October 2013	25,480
Add: Surplus for the year (<i>refer previous page</i>)	13,335
Closing Cash Balance at 30 September 2014	<u>38,815</u>
Represented by:	
Cheque Account #415332-8	18,815
Term Deposit #004-096297-9	20,000
	<u>38,815</u>

SOUTH WEST CYCLE CLUB INC.

**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Constitution and on the cash basis of accounting whereby revenue is recorded when it is received, expenses are recorded when they are paid and no assets or liabilities, other than cash and bank balances are recorded.

Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board are not applicable.

SOUTH WEST CYCLE CLUB INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee have determined that the association is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the cash basis of accounting, whereby revenue is recorded when cash receipts are received, expenses are recorded when they are paid, and no assets or liabilities, other than cash and bank balances, are recorded.

In the opinion of the Committee the attached financial report presents fairly the cash receipts and payments of South West Cycle Club Inc. for the period ended 30 September 2014 and its cash and bank balances as at that date.

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

Treasurer



.....

Dated this 10th day of December 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOUTH WEST CYCLE CLUB INC.**

We have audited the accompanying financial report, being a special purpose financial report, of South West Cycle Club Inc. which comprises the Statement of Cash Receipts and Cash Payments, Statement of Cash Balances for the period ended 30 September 2014, and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of South West Cycle Club Inc. is responsible for the preparation of the financial report and has determined that the cash basis of accounting whereby revenue is recorded when it is received, expenses are recorded when they are paid, and no assets or liabilities, other than cash and bank balances are recorded, is appropriate to meet the requirements of the Associations Incorporation Act (Western Australia) 1987 and is appropriate to meet the needs of the members. The committee's responsibilities also includes such internal control as the committee 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.

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 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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.



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Independence

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

Qualification

As is common for organisations of this type, it is not practicable for the South West Cycle Club Inc. to maintain an effective system of internal control over donations, memberships, nominations, sponsorships, sporting event income and other income until their initial entry in the accounting records. Accordingly, our audit in relation to cash received was limited to amounts recorded.

Qualified Opinion

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report presents fairly in all material respects with the cash basis of accounting, as described above, the payments and receipts of the South West Cycle Club Inc. for the period ended 30 September 2014 and its Cash and bank balances as at that date.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial report has been prepared to assist South West Cycle Club Inc. to meet the requirements of the Associations Incorporation Act (Western Australia) 1987. As a result the financial report may not be suitable for another purpose.

AMD Chartered Accountants



MARIA CAVALLO
Partner

Bunbury, Western Australia

Dated this 16th day of December 2014