

# **Independent Auditors Report**

## **To the Owners of Strata Plan 52948**

We have audited the accompanying financial report, being a special purpose financial report of Strata Plan 52948 which comprises the balance sheet as at 31 August 2017, the income and expenditure statements for the year then ended, a summary of significant accounting policies and other explanatory notes.

### *The Managing Agent's Responsibility for the Financial Report*

The Managing Agent is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Notes 1 and 2 to the financial report is appropriate to meet the financial reporting requirements of Section 106(1) Strata Schemes Management Act 1996, as amended, and is appropriate to meet the needs of the Owners.

The Managing Agent's responsibility also includes such internal control as the Managing Agent determines is necessary to enable the preparation 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 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 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Managing Agent, 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.

### *Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Strata Plan 52948 at 31 August 2017 and its financial performance for the year then ended in accordance with the basis of preparation described in Notes 1 and 2 to the financial report.

### *Basis of Accounting*

Without modifying our opinion, we draw attention to Notes 1 and 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Managing Agent's reporting requirements under Section 106(1) of the Strata Schemes Management Account 1996, as amended. As a result, the financial report may not be suitable for another purpose.



Robert Bates  
Registered Company Auditor 1275  
Parramatta  
Date: 20 October 2017

# **Strata Plan 52948**

## **Notes to and Forming Part of the Accounts for the Year Ended 31 August 2017**

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### **NOTE 1 – ACCOUNTING POLICY**

This is not a general purpose financial report. It is a special purpose report prepared for the Owners of the Plan to enable compliance with the requirements of Section 106(1) of the Strata Schemes Management Act 1996 as amended, to prepare financial statements. As the plan is not a Reporting Entity, no Accounting Standards, Urgent Issues Group Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board have been applied, except as otherwise stated.

The accounts have been prepared in accordance with conventional historical cost principles, together with the basic concepts of a going concern. The accounts have not been adjusted for changes in the general purchasing power of the dollar and for changes in the price of specific assets. As the accounts have been prepared for the specific purpose as set out above, they report on historical facts and do not contain an assessment of operational issues such as the adequacy of the sinking fund.

### **NOTE 2 – ACCOUNTING FOR INCOME AND EXPENSES**

The accrual basis of accounting is applied to all levies due and payable. Any other income and all expenditure is accounted for on a cash basis and is brought to account when the income is received or the expenses paid, except where otherwise stated.

### **NOTE 3 – LEVIES IN ARREARS/ADVANCE**

The item(s) shown as Levies and Arrears and/or Levies in Advance in the Balance Sheet represent the position of all Levies and Arrears of Advance, including any outstanding interest on arrears and direct charges to the lots, at the balance date. Individual balances are as per the attached arrears report.

### **NOTE 4 – INCOME TAX**

Assessable income such as interest and other income derived by the Plan from investment of funds or derived from other personal property as defined in Taxation Ruling IT 2505, is taxable at the current rate of 30%.