

20 October 2023

Mr Nigel Dias

Director (Engagement Partner)

Armada Audit & Assurance Pty Ltd
18 Sangiorgio Ct
OSBORNE PARK WA 6017

Dear Nigel,

RE: DIRECTORS' REPRESENTATION LETTER

This representation letter is provided in connection with your audit of the financial report of The Council on the Ageing (WA) Incorporated ('the Association') for the year ended 30 June 2023 for the purpose of expressing an opinion as to whether the financial report gives a true and fair view in accordance with the Australian Accounting Standards disclosed in Note 1 to the financial report and *The Associations Incorporations Act 2015 and the Australian Charities and Not-for-profits Commission Act 2012*.

We confirm the following:

- 1.1 We acknowledge our responsibility for ensuring that the financial report is in accordance with the above stated reporting framework and confirm that the financial report is free of material misstatements, including omissions.
- 1.2 The financial records of the Association have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the Associations Act have been properly kept and are up to date.
- 1.3 We have established and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- 1.4 Each component of the financial report is appropriately classified, described and disclosed in accordance with Accounting Standards, including any restatements of prior period amounts, other mandatory financial reporting requirements in Australia and the Associations Act.
- 1.5 The significant accounting policies adopted in the preparation of the financial report are appropriately described in the financial report.
- 1.6 We confirm that significant assumptions used by us in making accounting estimates are reasonable and appropriate and those underlying the fair value measurements and disclosures used in the preparation of the financial report are reasonable and appropriate in the circumstances, including the critical estimates, judgements and assumptions disclosed in the financial report

2. COMPLETENESS OF INFORMATION PROVIDED

- 2.1 We have provided you all relevant information and access as agreed in the terms of the audit engagement, including making available to you all financial records and supporting documentation, explanations and assistance necessary for the conduct of the audit, including all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year ended 30 June 2023 to the most recent meeting held before signing the financial accounts.
- 2.2 We have brought all material uncorrected misstatements to your attention.
- 2.3 All material transactions have been recorded and are reflected in the financial report.
- 2.4 There are no material transactions that have been improperly recorded in the accounting records underlying the financial report.

3. OWNERSHIP AND CARRYING VALUE OF ASSETS

- 3.1 Except for assets capitalised under finance leases, the entity has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the entity's assets, nor has any asset been pledged as collateral. All assets to which the entity has satisfactory title appear in the statement of financial position.
- 3.2 Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
- 3.3 We have considered the requirements of AASB 136, "Impairment of Assets", when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.
- 3.4 Adequate provision has been made for adjustments and losses in collection of receivables.
- 3.5 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 3.6 There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. We have no other line of credit arrangements or other arrangements involving restrictions on cash balances.
- 3.7 All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial report.

4. LIABILITIES, COMMITMENTS AND CONTINGENCIES

- 4.1 Material liabilities or contingent liabilities or assets including those associated with guarantees and those arising under derivative financial instruments, whether written or oral, have been disclosed to you and are appropriately reflected in the financial report.
- 4.2 We have informed you of all known actual and possible claims, including all new claims arising subsequent to balance date, whether or not they have been discussed with legal counsel and any unassisted claims or assessments that our lawyer has advised us are probable of assertion have been properly disclosed in the financial report.
- 4.3 The Association has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- 4.4 There are 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 those disclosed in the financial report.

5. EQUITY

We have properly recorded and/or disclosed in the financial report share options, warrants, conversions or other requirements.

6. SALES AND PURCHASES

- 6.1 As at 30 June 2023, the entity had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the entity (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfilment of, or inability to fulfil, sales commitments, etc.).
- 6.2 All sales and the corresponding debtors recognised comply with the measurement and recognition criteria in AASB 15 and accurate cut-off has been applied.

7. RELATED PARTIES REPRESENTATIONS

- 7.1 We confirm the completeness of the information provided in regards to the identification of, and balances and transactions with, related parties. We have disclosed to you all information required to meet the disclosure requirements of AASB 124 Related Party Disclosures and section 300A of the Associations Act, in particular information relating to personally related entities for key management personnel.
- 7.2 To the best of our knowledge and belief, all transactions with related parties, including remuneration of key management personnel, have been fully disclosed in the financial

statements including amounts receivable or payable, sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral).

8. INDEPENDENCE

- 8.1 We are not aware of any act or omission on the part of the Association that does or may impact on your ability to comply with your independence obligations as auditor of the Association. We have brought to your attention any items which we consider may affect your ability to remain independent of the entity and we will continue to work with you to maintain the independence of the audit relationship.

9. COMPLIANCE WITH LAWS AND REGULATIONS AND FRAUD

- 9.1 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.
- 9.2 We confirm that the Association has fully complied with all the statutory and legal requirements that could have a material effect on the financial statements in the event of non-compliance including payment of all applicable taxes, duties and other statutory obligations
- 9.3 There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- 9.4 We have brought to your attention any Class Orders the entity has applied for relief during the year ended 30 June 2023 under the Associations Act.
- 9.5 We acknowledge we are responsible for the design and implementation of internal controls to prevent and detect fraud and errors.
- 9.6 We have disclosed the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- 9.7 We have disclosed our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
- 9.8 There have been no allegations of financial improprieties, fraud or suspected fraud (regardless of the source or form and including without limitation any allegations by "whistleblowers" and those communicated by employees, former employees, analysts, regulators or others) which could result in a misstatement of the financial report or otherwise affect the Association's financial report.
- 9.9 There has been no fraud, suspected fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in the accounting and in the Association's internal control systems or that could have a material effect on the financial statements. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial report.

10. USE OF THE WORK OF AN EXPERT

Where applicable, we agree with the findings of experts engaged and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the consolidated financial report and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

11. GOING CONCERN

11.1 With reference to the accounts at 30 June 2023, we confirm that the Association will generate sufficient cash flow from any of the following during the next year:

- Cash flows from current operations
- Existing Cash Reserves

to enable it to:

- pay debts as and when they fall due;
- finance committed capital expenditure or investment plans; and
- make good any cash outflows arising from trading losses

11.2 Where applicable, we have made adequate disclosure in the financial report as to the Association 's ability to continue as a going concern

We disclose the following to you regarding going concern

For the year ended 30 June 2023, the Association incurred a net loss of \$173,385 and has a current asset position of \$303,684. The Association has a total cash position of \$877,740 and a current asset position of \$387,522 as at 1 October 2023. Included in the current asset position is unearned revenue of \$340,755 which the Association will discharge via delivery of the services on the contracts. The Association has prepared a cash flow forecast which notes that the cash reserves plus the funding from grant contracts and other revenue streams (Strength for life fees, Commissions and royalties and donations) is sufficient to cover the operating costs for a period of 12 months from the date of this financial report. The Association primary source of funding comprises grants from Federal and State agencies with whom the Association enters into funding agreements for a period of one to three years, the Association expects its core funding contracts to be renewed for period at least 12 months from the date of this financial report. In the event that there is a delay in the timing of receiving new contracts or extension of existing contracts the Association will reduce its discretionary costs until such time as the funding secured. Therefore, based on all the factors above the Association considers the going concern basis of preparation to be appropriate.

12. EVENTS AFTER BALANCE DATE

Other than described in the notes to the financial statements, we confirm that there have been no events subsequent to year end which require adjustment of, or disclosure in, the financial statements or notes thereto in respect to, but not limited to, the following matters:

- (a) There have been no material transactions since the balance date not in the ordinary course of business.
- (b) There has been no major refinancing since balance date.
- (c) There have been no intangible liabilities crystallised since balance date.
- (d) There have been no material claims been received.
- (e) There have been no major adjustments or changes in the Association 's accounting policies occurred between balance date and the latest interim financial statements.
- (f) There have been no ownership/equity changes since balance date.
- (g) There have been no changes in the capital structure since balance date.
- (h) There have been no reports/valuations of entity assets prepared by third parties since balance date that materially affect the carrying value of the assets.
- (i) There has been no material change in the market value of short-term investments.
- (j) We are not aware of any events which have occurred after balance date which could indicate that the liabilities in the accounts are materially understated or overstated.
- (k) No matters have occurred since balance date in respect of taxation which would require disclosure (e.g. change of ownership, assessments from ATO).
- (l) The entity has continued to comply with any loan agreements or trust deeds terms.
- (m) No event has occurred which might result in the repayment of capital grants not included in the statement of financial position as a liability.
- (n) No further contingent liabilities which should be included in notes to the accounts.

13. ELECTRONIC PRESENTATION OF THE FINANCIAL REPORT

13.1 With respect to publication of the financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic presentation of the financial report;
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version;
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the potential risk of misrepresentation;
- (d) We have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and
- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

14. ADJUSTED AND UNADJUSTED ERRORS

14.1 None noted



Name – Mary Anne Stephens

Title – Board Chair



Name – Anne Fairbanks

Title – Chair, FARM Committee

Dated this 20th day of October 2023