



Rainbow Club Australia Limited

ABN: 96 753 434 862

Financial Report

For the year ended 30 June 2022

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

CONTENTS

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Declaration of True and Fair View of Financial Position and Performance	16
Independent Auditor's Report	17

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

DIRECTORS' REPORT

The Directors submit the Financial Report of Rainbow Club Australia Limited (the "Company") for the financial year ending 30 June 2022. In order to comply with the provisions of the Australian Charities and Not-for Profits Commissions Act 2012 (ACNC Act), the Directors report as follows:

DIRECTORS

The names of Directors during the financial year ending 30 June 2022 and as at the date of this report are:

Alexandra Finley

Robert Lloyd

Dipen Dhruv

Mark McCormack

Robert McCotter

John Taplin

Ernie Cirignano

Steven Langan-Stark

Tracey Raso

Matt Levy

Resigned 7th December 2021

Matt Harper

Appointed 10th August 2022

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were to provide swimming lessons and social participation activities for children and young adults with a disability. The Company operates in over 40 locations around NSW and has begun offering services in QLD.

There has been no significant change to these activities during the year.

OPERATING RESULT

The deficit for the financial year ending 30 June 2022 is \$116,143 (prior year ending 30 June 2022: \$142,838 surplus).

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the year, Rainbow Club Australia changed its legal entity structure from an association to a company limited by guarantee. The purpose of changing Rainbow Club Australia's legal entity structure was to facilitate the expansion of existing services into states other than NSW. There has been no change to the principal activities of Rainbow Club Australia.

There was no change to Rainbow Club Australia's Australian Business Number (ABN), or to its status as a Public Benevolent Institution (PBI) endorsed by the Australian Tax Office (ATO), or to its other ATO endorsed tax concessions.

SUBSEQUENT EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

DIRECTORS' REPORT continued

REGISTERED OFFICE

The registered office of the Company is Suite 1.02 Level 1, 39-42 Chandos Street, St Leonards, NSW, 2065, Australia.

Signed in accordance with a resolution of the Directors.



Alexandra Finley, President



Robert Lloyd, Vice President

Dated this 18th day of November 2022

AUDITOR'S INDEPENDENCE DECLARATION

To: Board of Directors of Rainbow Club Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Charles Behrens, FCA



Norwest, NSW
10 November 2022

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	30/06/2022	30/06/2021
	\$	\$
Revenue		
Continuing Operations		
Membership Fees	1,189,010	1,153,761
Government Subsidies - related to COVID-19 Pandemic	154,095	555,050
Government Grant Income	153,774	20,000
Grants & Donations	153,470	168,544
Fundraising & Events Income	319,763	371,785
Other Income	1,534	5,876
Total Revenue	1,971,646	2,275,016
Expenditure		
Service Provision & Support Expenses	1,731,026	1,799,518
Staff Training & Development	44,253	47,182
Fundraising & Event Expenses	45,579	45,175
Technology & Systems	80,755	90,176
Depreciation & Amortisation	56,481	59,384
Rental Expenses	5,942	6,579
Other Expenses	123,753	84,163
Total Expenditure	2,087,789	2,132,178
Surplus / (Deficit) Before Income Tax	(116,143)	142,838
Income Tax Expense	-	-
Surplus / (Deficit) for the Year	(116,143)	142,838
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	(116,143)	142,838

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

STATEMENT OF FINANCIAL POSITION

	Notes	30/06/2022 \$	30/06/2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	508,771	647,675
Accounts Receivable	3	55,583	43,685
Prepayments		14,321	24,186
Investments	4	768,929	767,438
TOTAL CURRENT ASSETS		1,347,605	1,482,984
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	20,011	5,246
Intangibles	6	23,775	45,331
TOTAL NON-CURRENT ASSETS		43,786	50,577
TOTAL ASSETS		1,391,391	1,533,561
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	7	12,130	-
Other Payables	8	209,678	117,001
Employee Leave Provisions	9	82,552	57,156
Income Received in Advance	10	240,648	387,063
TOTAL CURRENT LIABILITIES		545,009	561,220
NON-CURRENT LIABILITIES			
Employee Leave Provisions	9	11,110	20,926
TOTAL NON-CURRENT LIABILITIES		11,110	20,926
TOTAL LIABILITIES		556,119	582,146
NET ASSETS		835,272	951,415
EQUITY			
Retained Surplus		835,272	951,415
TOTAL EQUITY		835,272	951,415

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

STATEMENT OF CHANGES IN EQUITY

	30/06/2022	30/06/2021
RETAINED SURPLUS	\$	\$
Opening Balance	951,415	808,577
Surplus / (deficit) for the year	(116,143)	142,838
Other comprehensive income (loss) for the year	-	-
Closing Balance	<u>835,272</u>	<u>951,415</u>

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

STATEMENT OF CASH FLOWS

	Notes	30/06/2022 \$	30/06/2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and donors		1,599,965	1,737,439
Receipts from government grants		57,739	130,837
Receipts from government subsidies		154,095	700,850
Interest Received		1,534	5,831
Payments to suppliers and employees		(1,901,043)	(2,009,384)
Net cash provided by / (used in) Operating Activities	13	(87,710)	565,572
CASH FLOW FROM INVESTING ACTIVITIES			
Investment - Held to Maturity - Term Deposits		(1,491)	(5,580)
Payments for Property, Plant & Equipment		(25,900)	(5,866)
Payments for Intangible Assets		(23,803)	-
Net cash provided by / (used in) Investing Activities		(51,194)	(11,446)
CASH FLOW FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH HELD		(138,904)	554,127
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		647,675	93,548
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	2	508,771	647,675

This Statement is to be read in conjunction with the Notes to the Financial Statements

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Background

During the year, Rainbow Club Australia changed its legal entity structure from an association to a company limited by guarantee. The purpose of changing Rainbow Club Australia's legal entity structure was to facilitate the expansion of existing services into states other than NSW. There has been no change to the principal activities of Rainbow Club Australia. There was no change to Rainbow Club Australia's Australian Business Number (ABN), or to its status as a Public Benevolent Institution (PBI) endorsed by the Australian Tax Office (ATO), or to its other ATO endorsed tax concessions.

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. Directors have determined that the Company is not a reporting entity because there are no users dependent on general purpose financial statements, and users of the financial statements are able to obtain additional information to meet their needs. The Company is a not-for-profit entity for reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Charities and Not-for-profits Commission Act 2012. This includes Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards, AASB 1054 Australian Additional Disclosures, and AASB 2019-4 Disclosure in Special Purpose Financial Statements for Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical cost unless otherwise stated in the notes. Material accounting policies adopted in the presentation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report is presented in Australian Dollars which is the Company's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

The preparation of a financial report in conformity with applicable Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Preparation continued

The financial statements of the Company for the year ended 30 June 2022 were authorised for issue in accordance with the resolution of the Directors on the 18th November 2022.

Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sales of Goods

Revenue from sales of goods comprises revenue from the sale of pool safety equipment or merchandise. Revenue is recognised on the point of delivery as this corresponds to the transfer of significant risks and rewards of the ownership of the goods.

Rendering of Services

Fee revenue from rendering of services is recognised when the services are provided.

Interest Revenue

Interest Revenue is recognised on a cash received basis.

Government Subsidies - COVID-19 Pandemic Stimulus Payments

Government subsidies include financial support and assistance provided by the Government's COVID-19 pandemic stimulus payments. Grant revenue is recognised in the Statement of Profit and Loss and Comprehensive Income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before the Company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Grants & Donations

Grant revenue is recognised in the Statement of Profit and Loss and Comprehensive Income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it the Company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition continued

Other Income

Other income is recognised when it is received or when the right to receive payment is established, subject to the receipt or right to receive being pertinent to current (or prior) reporting periods. Receipt or right to receive of payments relevant to future periods are carried forward as Balance sheet items.

Sale of Non-Current Assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract is signed, subject to all parties sharing equal contractual rights as to enforcement of settlement subsequent to exchange. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the cost of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash Flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Taxation

The Company is a registered charity and is exempt from Income Tax.

Property, Plant and Equipment

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure is only recognised as an asset when the Company controls future economic benefits as a result of the costs incurred, that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Subsequent Additional Costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Company in future years, otherwise they are expensed as incurred.

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment continued

All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financials period in which they are incurred.

Useful Lives

All non-current assets have limited useful lives and are depreciated/amortised using either the straight line or diminishing value methods over their estimated useful lives.

Assets are depreciated or amortised from the time the asset held is ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected in current and future periods only.

The depreciation/amortisation rates used for each class of asset are as follows:

<i>Class of Asset</i>	<i>Method</i>	2022 <i>Rate</i>	2021 <i>Rate</i>
Office Equipment	Diminishing	67%	67%
Pool Equipment	Diminishing	67%	N/A
Software	Straight Line	33%	33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit or Loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivable

Accounts Receivable include amounts due from members, Plan Managers, and from other donors. The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade receivables are usually settled within 60 days.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Assets

The Company classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold-to-maturity.

Intangible Assets

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years. It is assessed annually for impairment.

Accounts Payable and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are unsecured and are normally settled within 30 days.

Employee Entitlements

Wages, Salaries, Annual Leave and Sick Leave

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of estimated future cash outflows to be made resulting from employee's service provided to reporting date. The provision is calculated using expected future increases in wages and salary rates including related on costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation

The Company contributes to employees' superannuation funds in accordance with relevant legislation.

Rainbow Club Australia Limited

ABN: 96 753 434 862
Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2022	30/06/2021
	\$	\$
2 CASH & CASH EQUIVALENTS		
Cash in Bank Accounts	508,771	647,675
3 ACCOUNTS RECEIVABLE		
Debtors	21,974	15,077
Less: Provision for Doubtful Debts	(4,935)	(990)
JobKeeper Receivable	-	-
GST Net Receivable	38,544	29,598
	55,583	43,685
4 INVESTMENTS		
<i>Current</i>		
Financial Assets - Held to Maturity - Term Deposits	768,929	767,438
5 PROPERTY, PLANT AND EQUIPMENT		
a) Office Equipment	36,660	17,827
Less: Accumulated Depreciation	(17,556)	(12,580)
	19,104	5,246
Reconciliation of Carrying Amount		
Balance at the start of the year	5,246	2,751
Additions	23,860	5,866
Depreciation	(9,989)	(3,371)
Disposals	(13)	-
Balance at the end of the year	19,104	5,246
b) Pool Equipment	2,041	-
Less: Accumulated Depreciation	(1,134)	-
	907	-
Reconciliation of Carrying Amount		
Balance at the start of the year	-	-
Additions	2,041	-
Depreciation	(1,134)	-
Disposals	-	-
Balance at the end of the year	907	-
6 INTANGIBLES		
Software	184,383	160,580
Less: Accumulated Amortisation	(160,607)	(115,249)
	23,775	45,331

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2022	30/06/2021
	\$	\$
7 ACCOUNTS PAYABLE		
Trade Creditors	11,781	-
Credit Card	349	-
	<u>12,130</u>	<u>-</u>
8 OTHER PAYABLES		
PAYG Liability	22,250	17,619
Superannuation Liability	61,165	38,882
Accrued Wages	60,628	25,141
Other Accruals	65,462	35,359
	<u>209,505</u>	<u>117,001</u>
9 EMPLOYEE PROVISIONS		
<i>Current</i>		
Annual Leave Provision	44,885	32,059
Long Service Leave Provision	37,666	25,097
	<u>82,552</u>	<u>57,156</u>
<i>Non-Current</i>		
Long Service Leave Provision	<u>11,110</u>	<u>20,926</u>
10 INCOME RECEIVED IN ADVANCE		
Grants Received in Advance	208,873	140,838
Membership Fees Paid in Advance	13,590	228,195
Other Income Received in Advance	18,186	18,030
	<u>240,648</u>	<u>387,063</u>
11 AUDITOR'S REMUNERATION		
Audit Services:	<u>3,700</u>	<u>3,700</u>
Auditors of the Company:		
Charles A Behrens FCA		
12 FINANCIAL REPORTING BY SEGMENTS		

The Company operates in one industry, the principal activity being the operation of social swimming clubs.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS

	30/06/2022	30/06/2021
	\$	\$
13 NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of cash balances		
Cash as at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents per Statement of Financial Position	508,771	647,675
Cash and Cash Equivalents per Statement of Cash Flow	508,771	647,675
b) Reconciliation of operating surplus / (deficit) after income tax to net cash provided by / (used in) operating activities		
Operating surplus / (deficit) for the year	(116,143)	142,838
Add Non-Cash Items:		
Depreciation & Amortisation	56,481	59,384
Property, Plant & Equipment Write-off	13	-
Net cash provided by operating activities before changes in Assets & Liabilities	(59,649)	202,222
Changes in Assets & Liabilities		
Decrease/(Increase) in Trade & Other Receivables	(11,898)	114,128
Decrease/(Increase) in Prepayments	9,865	(14,849)
Increase/(Decrease) in Trade Creditors & Other Payables	104,807	9,813
Increase/(Decrease) in Provisions	15,580	68,445
Increase/(Decrease) in Income in Advance	(146,415)	185,812
Net Cash provided / (used) by Operating activities	(87,710)	565,572

14 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Rainbow Club Australia Limited

ABN: 96 753 434 862

Year Ended 30 June 2022

ANNUAL STATEMENTS - TRUE & FAIR DECLARATION

We, Alexandra Finley and Robert Lloyd, being Directors of Rainbow Club Australia Limited (the Company), certify that:

- 1 The statements included in this report give a true and fair view of the financial position and performance of the Company, during and at the end of the financial year ending 30 June 2022,
- 2 There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable, and
- 3 The financial statements and notes satisfy the requirements of the Australian Charities and Not-for Profits Commissions Act 2012 (ACNC Act).



Alexandra Finley, President



Robert Lloyd, Vice President

Dated this 18th day of November 2022

INDEPENDENT AUDITOR'S REPORT

To: Members of rainbow Club Australia Limited

Report on the Audit of the Financial Report

Opinion

I have audited the special purpose financial report of Rainbow Club Australia Limited, which comprises the statement of financial position as of 30 June 2022, the statement of Profit and Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the company's declaration.

In my opinion, the financial report of Rainbow Club Australia Inc is prepared in accordance with the Associations Incorporation Act NSW 2009 and with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the requirements of the Associations Incorporation Act NSW 2009 and with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012.

Basis for Opinion

I have conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Report section of my report. I am independent of Rainbow Club Australia Limited 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2022 but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with the audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Rainbow Club Australia Limited for the Financial Report

The company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the company determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the company is responsible for assessing its 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 company either intends to liquidate or to cease operations or has no realistic alternative but to do so.

The company is responsible for overseeing its financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company,
- Conclude on the appropriateness of the Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I have communicated with the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.



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Charles Behrens BBus, FCA
Registered Company Auditor

Date: 21st November 2022

76 Central Park Avenue
NORWEST NSW 2153

