Rebound WA Inc.

Financial Statements

For the Year Ended 30 June 2018

Rebound WA Inc.

Contents

For the Year Ended 30 June 2018

Rebound WA Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	2018	2017
	$	$
Income		
Membership fees	**1,016**	6,373
Sport, recreation and participation	**88,039**	81,487
Government grants	**157,042**	240,659
Other grants	**142,000**	85,000
Sponsorships	**12,924**	20,105
Donations/Fundraising	**202,247**	178,539
Raffles	**140,194**	171,674
Profit on sale of an asset	**-**	1,471
Interest received	**23,833**	29,527
Dividend income	**45,314**	46,068
Sundry	**37,984**	13,738
Rent received	**133,747**	123,686
Total	**984,340**	998,327
Expenditure		
Revaluation of investment property	**-**	65,000
Depreciation and amortisation	**70,856**	53,543
Write off of Property, Plant and Equipment	**-**	22,648
Administration expenses	**270,395**	289,106
Consultancy expenses	**44,002**	34,950
Property expenses	**29,977**	28,179
Raffle expenses	**92,864**	123,221
Loss on sale of an asset	**570**	-
Wages and on costs	**585,526**	457,805
	1,094,190	1,074,452
Discontinued operations surplus/(deficit)	**-**	23,561
Surplus / (Deficit) for the year	**(109,850)**	(52,564)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified to profit or loss		
Net changes in fair value of Available-for-Sale financial assets	**42,486**	49,170
Other comprehensive surplus for the year, net of tax	**42,486**	49,170
Total comprehensive surplus / (deficit) for the year	**(67,364)**	(3,394)

Rebound WA Inc.

Statement of Financial Position

For the Year Ended 30 June 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**1,114,523**	1,261,201
Trade and other receivables	5	**79,550**	135,359
Other assets		**16,754**	15,214
TOTAL CURRENT ASSETS		**1,210,827**	1,411,774
NON-CURRENT ASSETS			
Investment in listed companies	6	**878,597**	836,111
Intangibles	7	**85,450**	99,032
Property, plant and equipment	8	**347,602**	245,408
Investment Property	9	**1,435,000**	1,435,000
TOTAL NON-CURRENT ASSETS		**2,746,649**	2,615,551
TOTAL ASSETS		**3,957,476**	4,027,325
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**55,716**	107,222
Provisions	11	**153,114**	110,451
Income in advance	12	**2,600**	-
TOTAL CURRENT LIABILITIES		**211,430**	217,673
NON-CURRENT LIABILITIES			
Provisions	11	**12,449**	8,691
TOTAL NON-CURRENT LIABILITIES		**12,449**	8,691
TOTAL LIABILITIES		**223,879**	226,364
NET ASSETS		**3,733,597**	3,800,961
EQUITY			
Reserves		**209,247**	166,761
Retained earnings		**3,524,350**	3,634,200
TOTAL EQUITY		**3,733,597**	3,800,961

Rebound WA Inc.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings $	Available for Sale Reserve $	Total $
Balance at 1 July 2017	**3,634,200**	**166,761**	**3,800,961**
Surplus/(Deficit) for the year	**(109,850)**	**-**	**(109,850)**
Other comprehensive income			
Revaluation increment (decrement)	**-**	**42,486**	**42,486**
Total comprehensive income for the period	**(109,850)**	**42,486**	**(67,364)**
Balance at 30 June 2018	**3,524,350**	**209,247**	**3,733,597**

2017

	Retained Earnings $	Available for Sale Reserve $	Total $
Balance at 1 July 2016	3,686,762	117,590	3,804,352
Surplus/(Deficit) for the year	(52,564)	-	(52,564)
Other comprehensive income			
Revaluation increment (decrement)	-	49,170	49,170
Total comprehensive income for the period	(52,564)	49,170	(3,394)
Balance at 30 June 2017	3,634,200	166,761	3,800,961

The accompanying notes form part of these financial statements.

Rebound WA Inc.

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from raffles		**140,194**	171,674
Payments to suppliers and employees		**(940,651)**	(976,543)
Donations and fundraising received		**202,247**	181,589
Interest received		**18,083**	14,612
Receipts from grants and sponsorships		**299,966**	332,142
Receipts from memberships		**1,016**	6,373
Receipts – other		**125,454**	114,731
Net cash provided by/(used in) operating activities		**(153,691)**	(155,422)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		**150,773**	102,271
Purchase of property, plant and equipment and intangibles		**(310,131)**	(221,967)
Dividends received		**35,416**	36,333
Proceeds from rental property		**130,955**	123,686
Net cash provided by(used in) investing activities		**7,013**	40,323
Net increase/(decrease) in cash and cash equivalents held		**(146,678)**	(115,099)
Cash and cash equivalents at beginning of year		**1,261,201**	1,376,300
Cash and cash equivalents at end of financial year	4	**1,114,523**	1,261,201

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial statements cover Rebound WA Inc. (formerly known as Wheelchair Sports (WA) Inc) as an individual entity. Rebound WA Inc. (Rebound WA). is a not-for-profit Association incorporated in Western Australia under the *Associations Incorporation Act (WA) 2016* ('the Act').

The principal activities of the Association for the year ended 30 June 2018 were providing information, advice, education, advocacy, sport, recreational activities and community for children or adults in Western Australia living with a physical disability. Rebound WA is a member-based association, governed by a voluntary Board of Management, selected to bring a diverse range of knowledge, expertise and experience. The organisation works with people who are adjusting to a life-changing injury, as well as those who have been living with their physical disability for many years.

The functional and presentation currency of Rebound WA is Australian dollars. The financial report was authorised for issue by the Board on 18 September 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general-purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements. Rebound WA is a not-for-profit entity for the purpose of preparing the financial statements.

The accounting policies set out below have been consistently applied to all years presented.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

2 Summary of Significant Accounting Policies

(c) Revenue and other income (cont.)

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity 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.

Rebound WA receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

2 Summary of Significant Accounting Policies

(c) Revenue and other income (cont.)

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Goods and services tax (GST)

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).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model or every three years.

2 Summary of Significant Accounting Policies

(f) Property, plant and equipment (cont.)

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant & Equipment	10% - 20%
Motor Vehicles	14.28%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate

(g) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(h) Intangible Assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimates useful lives, as these assets are considered finite. Residual values and

2 Summary of Significant Accounting Policies

(h) Intangible Assets (cont.)

useful lives are reviewed at each reporting date. In addition, they are subject to impairment. The following useful lives are applied:

Software 2.5-5 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software is expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(i) Discontinued Operations

The discontinued operations relates to the men’s and women’s State Wheelchair Basketball Leagues, named NWBL and WNWBL respectively. Rebound WA has traditionally managed these leagues. However, from the 2017 season onwards they have been appropriately transferred to the state sporting organisation Basketball WA, with Rebound WA continually providing support as required.

(j) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories, which are described in detail below:

- receivables ; and
- available-for-sale financial assets;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument’s category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the ‘finance income’ or ‘finance costs’ line item respectively.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

2 Summary of Significant Accounting Policies

(j) Financial instruments (cont.)

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association’s trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Association's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income. Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities depending on the purpose for which the liability was acquired.

The Association‘s financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired

(j) Financial instruments (cont.)

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Investment properties are included in profit or loss in the period in which they arise.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Provisions

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Provision is also made for monies held on behalf of some of our members. This cash is restricted and not available for the Association's use. As monies are expected to be wholly settled within one year, they have been measured at the amounts expected to be paid when the liability is settled.

(m) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates – Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates related to technical obsolescence that may change the utility of certain software and IT equipment.

Key estimates – Value of investment property

Revaluations of the investment property are performed whenever there is a material movement in the value of an asset under the revaluation model or every three years. Independent parties perform the reviews.

Notes to the Financial Statements
For the Year Ended 30 June 2018

4 Cash and Cash Equivalents

	2018 $	2017 $
Cash at bank and in hand	**114,523**	261,201
Short-term deposits	**1,000,000**	1,000,000
	1,114,523	1,261,201

5 Trade and Other Receivables

	2018 $	2017 $
CURRENT		
Trade receivables	**104,338**	128,271
Provision for doubtful debts	**(57,176)**	(57,176)
Other receivables	**32,388**	64,264
	79,550	135,359

6 Investments in Listed Entities

	2018 $	2017 $
Opening balance	**836,111**	786,942
Additions	**-**	-
Revaluations	**42,486**	49,170
	878,597	836,111

7. Intangibles

	2018 $	2017 $
Computer Software		
At cost	**112,865**	101,186
Accumulated depreciation	**(27,415)**	(2,154)
	85,450	99,032

Notes to the Financial Statements
For the Year Ended 30 June 2018

8. Property, plant and equipment

	2018	2017
	$	$
Plant and equipment		
At cost	**474,918**	432,218
Accumulated depreciation	**(304,661)**	(281,055)
	170,257	151,164
Telemarketing equipment		
At cost	**-**	40,966
Accumulated depreciation	**-**	(40,966)
	-	-
Motor Vehicles		
At cost	**223,490**	137,454
Accumulated amortisation	**(46,145)**	(43,210)
	177,345	94,244
	347,602	245,408

8 Property, plant and equipment

a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment	Motor Vehicles	Total
	$	$	$
Year ended 30 June 2017			
Balance at the beginning of year	**151,164**	**94,244**	**245,408**
Additions	**42,699**	**258,073**	**300,772**
Revaluation increase/(decrease)	**-**	**-**	
Disposals	**-**	**(150,773)**	**(150,773)**
Depreciation expense	**(23,606)**	**(24,199)**	**(47,805)**
Balance at the end of the year	**170,257**	**177,345**	**347,602**

9. Investment Property

	2018 $	2017 $
Investment Property – at cost	**1,500,000**	1,500,000
Revaluation	**(65,000)**	(65,000)
	1,435,000	1,435,000

10. Trade and other payables

	2018 $	2017 $
Current		
Trade payables	**40,397**	90,304
GST and PAYG payables	**7,522**	10,731
Other payables	**7,797**	6,187
	55,716	107,222

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

11 Provisions

	2018 $	2017 $
Current liabilities		
Annual leave	**20,920**	15,763
Long service leave	**32,295**	30,120
Redundancy	**38,563**	-
Provision on costs	**5,549**	4,785
Athlete sponsorship accounts	**55,787**	59,783
	153,114	110,451
Non-current liabilities		
Long service leave	**11,273**	7,871
Provision on costs	**1,176**	820
	12,449	8,691

Provision is made for monies held on behalf of some of our members, named Athlete sponsorship accounts. This cash is restricted and not available for the Association's use. As monies are expected to be wholly settled within one year, they have been measured at the amounts expected to be paid when the liability is settled.

12 Income in advance

	2018 $	2017 $
Income in advance	**2,600**	-
Total	**2,600**	-

13 Capital and Leasing Commitments

(a) Operating Leases

	2018 $	2017 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**32,496**	26,890
- between one year and five years	**102,904**	134,450
	135,400	161,340

The Association has taken up its option to renew its lease agreement with the City of Stirling, commencing 1 September 2017 and expiring on 31 August 2022.

14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Rebound WA (Inc.) during the year are as follows:

	2018 $	2017 $
Short-term employee benefits	**142,929**	119,986
Post-employment benefits	**13,578**	11,398
	156,507	131,384

15 Auditors' Remuneration

	2018 $	2017 $
Remuneration of Optima Audit, for:		
- auditing or reviewing the financial statements	**7,700**	7,700

16 Financial Risk Management

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Objectives, policies and processes

Management receives overall responsibility for the establishment of Rebound WA Inc's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Rebound WA's activities.

Market risk

The day-to-day risk management is carried out by Rebound WA's finance function under policies and objectives which have been approved by Management. The Finance Coordinator has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Rebound WA Inc does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced include entering into fixed term deposits with the Association's financial institution.

Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

Liquidity needs are monitored daily, weekly and monthly. Long-term liquidity needs for 180-day and 360-day periods are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Credit risk

16 (cont.) Financial Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. Management receives monthly reports summarising the turnover, trade receivables balance aging profile of each customer as well as a list of customers who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic location.

17 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Investment property
- Financial assets

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Level 1	**Level 2**	**Level 3**	**Total**
30 June 2018	**$**	**$**	**$**	**$**
Recurring fair value measurements Financial assets	878,597	1,435,000		2,313,597

	Level 1	**Level 2**	**Level 3**	**Total**
30 June 2017	**$**	**$**	**$**	**$**
Recurring fair value measurements Financial assets	836,111	1,435,000		2,271,111

Level 2 measurements

This relates to the Association's investment property, which is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of invest

Notes to the Financial Statements
For the Year Ended 30 June 2018

18 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None)

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 September 2018 by the Board.

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

20 Statutory Information

The registered office and principal place of business of the association is:

Rebound WA Inc.
Herb Graham Recreation Centre
38 Ashbury Crescent
Mirrabooka WA 6061

In the opinion of the Board the financial report as set out on pages 1 to 21:

1. Present fairly the financial position of Rebound WA (Inc) as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Rebound WA (Inc) will be able to pay its debts as and when they fall due.

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

President

Treasurer

Dated this 18 day of September 2018

Independent Audit Report to the members of Rebound WA Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rebound WA Inc (the Company), which comprises the statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s 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 directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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optima audit pty ltd acn 158 633 615

registered
company auditors

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 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.

Optima Audit

Optima Audit

Michael Cooper

Osborne Park

18 September 2018