

Australian Grape and Wine Incorporated

ABN: 45 903 873 163

Financial Statements

For the Year Ended 30 June 2021

Australian Grape and Wine Incorporated

ABN: 45 903 873 163

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Australian Grape and Wine Incorporated

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Board Report

30 June 2021

The Board members submit the financial report of Australian Grape and Wine Incorporated ("Association") for the financial year 1 July 2020 to 30 June 2021.

1. General information

Board members

The names of Board members throughout the year and at the date of this report are:

Mr Charles (Sandy) Clark	Chairman
Ms Victoria Angove	
Mr Colin Bell	Resigned November 2020
Mr Rob Cairns	
Mr Andrew Clarke	Resigned July 2020
Mr Henry Crawford	Appointed November 2020
Mr Rollo Crittenden	
Mr Ben Crossing	Appointed November 2020
Mr Luke Edwards	
Mr Adrian Hoffman	Appointed November 2020
Ms Leeanne Puglisi-Gangemi	Resigned November 2020
Mr David Gordge	Resigned August 2020
Ms Mary Hamilton	
Mr Ashley Keegan	Appointed November 2020
Ms Mardi Longbottom	Resigned November 2020
Mr Jeff McWilliam	Resigned June 2021
Mr Bill Mourlaradellis	Resigned November 2020
Ms Anjanette Murfet	Appointed July 2020
Mr Alister Pubrick	
Mr Ben Rose	Resigned November 2020
Ms Helen Strachan	
Mis Edward Swift	
Mr Simone Tierney	Appointed November 2020
Ms Heather Webster	Resigned November 2020
Mr Andrew Weeks	Resigned August 2020

Alternate Directors:

Ms Sarah Collingwood	Appointed November 2020
Mr Robert Hill Smith	
Mr Byron Hodgkinson	
Ms Libby Nutt	
Mr Shae Courtney	Appointed November 2020
Ms Jenny Venus	Appointed November 2020

Principal activities

The principal activities of the Association during the financial year were the promotion and development of winegrape growing and winemaking in Australia.

Events subsequent to the end of the reporting period

Except for the matters outlined in Note 14 to the financial statements, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Australian Grape and Wine Incorporated

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Board Report 30 June 2021

1. General information

Operating result

The deficit of the Association after providing for income tax amounted to \$ (240,012)(2020 surplus \$261,474).

Section 35(5) Associations Incorporation Act (SA) 1985

In accordance with Section 35(5) of the *Associations Incorporation Act (SA) 1985*, the Board of the Association hereby states that during the financial year ended 30 June 2021;

- a) (i) no Board member of the Association;
(ii) no firm of which a Board member is a member; and
(iii) no body corporate in which a Board member has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the Board member, firm or body corporate and the Association.

- b) Mr Sandy Clark, as Chairman, receives a yearly remuneration package inclusive of superannuation. No other Board member of the Association receives either directly or indirectly any remuneration, payment on benefit of a pecuniary value.

Signed in accordance with a resolution of the Board.



Chairman:

Dated this 27th day of October 2021

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	3	2,071,393	2,184,716
Employee benefits expense	4	(1,222,531)	(1,258,001)
Other expenses	4	(1,070,002)	(643,382)
Depreciation and amortisation expense	4	(18,872)	(21,859)
Operating (deficit) / surplus before income tax		(240,012)	261,474
Income tax expense	2(a)	-	-
(Deficit) / surplus for the year		(240,012)	261,474
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (expense) / income for the year		(240,012)	261,474

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,938,199	2,182,280
Trade and other receivables	6	88,164	118,219
Other assets	7	17,105	42,762
TOTAL CURRENT ASSETS		3,043,468	2,343,261
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,858	27,443
TOTAL NON-CURRENT ASSETS		10,858	27,443
TOTAL ASSETS		3,054,326	2,370,704
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	185,965	147,418
Deferred income	10	1,028,339	155,892
Employee benefits	11	293,304	280,664
TOTAL CURRENT LIABILITIES		1,507,608	583,974
TOTAL LIABILITIES		1,507,608	583,974
NET ASSETS		1,546,718	1,786,730
EQUITY			
Retained earnings		1,546,718	1,786,730
TOTAL EQUITY		1,546,718	1,786,730

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2020	1,786,730	1,786,730
(Deficit) for the year	(240,012)	(240,012)
Balance at 30 June 2021	<u>1,546,718</u>	<u>1,546,718</u>

2020

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2019	1,525,256	1,525,256
Surplus for the year	261,474	261,474
Balance at 30 June 2020	<u>1,786,730</u>	<u>1,786,730</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	2,005,552	2,149,150
Payments to suppliers and employees	(2,496,492)	(2,092,274)
Interest received	12,459	30,232
Grants received	1,097,800	221,034
Other income	138,887	109,677
Net cash provided by operating activities	<u>758,206</u>	<u>417,819</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(2,287)</u>	-
Net cash (used in) investing activities	<u>(2,287)</u>	-
Net increase in cash and cash equivalents held	755,919	417,819
Cash and cash equivalents at beginning of year	<u>2,182,280</u>	<u>1,764,461</u>
Cash and cash equivalents at end of financial year	5 <u><u>2,938,199</u></u>	<u><u>2,182,280</u></u>

The accompanying notes form part of these financial statements.

Australian Grape and Wine Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

The financial statements cover Australian Grape and Wine Incorporated ("Association") as an individual not-for-profit entity incorporated in South Australia under the *Associations Incorporation Act (SA) 1985* ("Act").

1 Basis of Preparation

The Board have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent of general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the reporting requirements of the Act.

Controlled entities as identified in Note 15 have not been consolidated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Section 50-40 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue from Membership fees are recognised on an accrual basis for the financial year.

Any Membership fee monies received, for a financial year subsequent to 30 June 2021, are recognised as "Membership fees received in advance" and will be recognised as revenue in subsequent financial years.

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. Unexpended grant income is treated as a current liability.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

(c) Leases

Lease payments 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.

(d) 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.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Board and management to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of profit or loss and other comprehensive income.

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

Class of fixed asset	Depreciation Rate
Leasehold Improvements	5% - 10%
Office Equipment (including leased)	5% - 50%
Furniture & Fittings	7% - 20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Impairment of assets

At the end of each financial year, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) 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.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the financial year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the financial year for goods and services received by the Association during the financial year, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days or recognition of the liability.

(i) 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.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Critical Accounting Estimates and Judgments

Management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Estimates – Impairment

The Association assesses impairment at each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The financial report was authorised for issue on the 27th day of October 2021 by the Board.

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Notes to the Financial Statements For the Year Ended 30 June 2021

3 Revenue and Other Income

	2021	2020
	\$	\$
- Membership Fees	1,831,059	1,968,017
- Plant Health Australia funding	46,002	51,561
- Wine Australia contributions	30,000	26,500
- Other grants and subsidies	116,940	44,312
- Interest received	7,390	26,170
- Other income	2,502	5,656
- Cashflow boost	37,500	62,500
Total revenue and other income	<u>2,071,393</u>	<u>2,184,716</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

4 Result for the Year

The result for the financial year includes the following specific expenses:

	2021	2020
	\$	\$
Employee benefits expense		
- Salaries & Wages	1,093,514	1,096,116
- On-costs - superannuation	103,884	101,281
- On-costs - workers compensation	6,529	6,305
- Leave	12,639	50,353
- Other employee costs	5,965	3,946
	<u>1,222,531</u>	<u>1,258,001</u>
Employee benefits expense		
Depreciation		
- Property, plant and equipment	18,872	21,859
	<u>18,872</u>	<u>21,859</u>
Depreciation		
Other expenses from ordinary activities		
- Audit fees	9,270	9,135
- Insurance	9,794	8,651
- Bad and doubtful debts expense	7,171	3,893
- Fringe Benefits Tax	2,731	5,411
- Office rental expenses	72,741	109,839
- Administration expenses	54,387	61,252
- Corporate governance	30,688	57,728
- Membership and brand strategy	36,611	57,509
- Advocacy	17,442	31,477
Policy & Projects		
- Organisation membership	102,647	112,262
- Grants	116,940	39,346
- Other policy and projects	609,580	146,879
Other expenses from ordinary activities	<u>1,070,002</u>	<u>643,382</u>
Total expenses	<u>2,311,405</u>	<u>1,923,242</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
CURRENT		
Cash on hand	-	200
Cash at bank	1,723,199	782,080
Term deposits	1,215,000	1,400,000
Total cash and cash equivalents	2,938,199	2,182,280

6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	11,611	(346)
Other receivables	84,748	119,589
Provision for doubtful debts	(8,195)	(1,024)
Total current trade and other receivables	88,164	118,219

7 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	15,714	23,802
Cashflow boost	-	12,500
Accrued interest	1,391	6,460
Total amount other assets	17,105	42,762

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Notes to the Financial Statements For the Year Ended 30 June 2021

8 Property, plant and equipment

	2021	2020
	\$	\$
Furniture and fittings		
At cost	24,556	24,556
Accumulated depreciation	(24,322)	(24,185)
Total furniture and fittings	<u>234</u>	<u>371</u>
Office equipment		
At cost	34,351	32,970
Accumulated depreciation	(32,513)	(32,160)
Total office equipment	<u>1,838</u>	<u>810</u>
Leasehold Improvements		
At cost	183,930	183,930
Accumulated amortisation	(175,144)	(157,668)
Total leasehold improvements	<u>8,786</u>	<u>26,262</u>
Total property, plant and equipment	<u>10,858</u>	<u>27,443</u>

9 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Sundry payables and accrued expenses	38,486	78,492
Trade payables	147,479	68,926
Total trade and other payables	<u>185,965</u>	<u>147,418</u>

10 Deferred income

	2021	2020
	\$	\$
CURRENT		
Membership fees received in advance	15,339	23,952
Unexpended grant income	1,013,000	131,940
Total deferred income	<u>1,028,339</u>	<u>155,892</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

11 Employee benefits

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	128,617	130,575
Provision for long service leave	164,687	150,089
	<u>293,304</u>	<u>280,664</u>

12 Capital and Leasing Commitments

(a) Operating Leases

	2021	2020
	\$	\$
Not later than 1 year	129,806	53,485
Later than 1 year but not later than 5 years	429,955	94,402
Later than 5 years	8,208	-
Total lease liability	<u>567,969</u>	<u>147,887</u>

a) A COVID-19 tenancy rebate and other waivers for part of the 2020 and 2021 financial years were negotiated. The property lease of the Association at the National Wine Centre, Adelaide expired on 31 March 2021, with subsequent rent charged on a month-by-month basis. A new 5 year lease has been negotiated directly with the National Wine Centre, with a commencement date of 1 August, 2021.

b) The property lease of the Association's Canberra office commenced on the 1 July 2018 with an expiry date of 30 June 2023. A COVID-19 rent abatement for part of the 2020/21 year was negotiated.

13 Contingencies

In the opinion of Board, the Association did not have any contingencies at 30 June 2021 (2020: nil), other than as detailed in Note 14 to the financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2021

14 Events After the End of the Reporting Period

Australian Grape & Wine (AGW) and Australian Wine Research Institute have received a letter from Ms Santiago-Brown alleging an infringement of her copyright work on the basis that AGW is involved in offering, conducting, administering and/or managing the 'Sustainable Winegrowing Australia' program. While it is unlikely that this will proceed to court, as financial recompense has been mentioned by the lawyers for Santiago-Brown, we notified our insurance brokers who have advised they intend to have lawyers appointed for AGW. We continue to reject any suggestion of copyright infringement and will seek to mediate in good faith. There will be some limited financial impact to Australian Grape & Wine.

The continued impact of the China market closure is likely to have a significant impact on the profitability of many wineries and grapegrowers over the medium term. This will provide additional risk to membership of small winemakers and grapegrowers in 2022-23 and beyond.

A large member has resigned their membership from Australian Grape and Wine Inc as of 30 September 2021, resulting in a significant revenue fall from budget in 2021-22.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

15 Controlled entities

Name of Entity	Country of Incorporation	Class of Equity / Membership	Cost of Investment	Equity Holding / Interest
			30 June 2021	30 June 2021
National Wine Foundation Inc	Australia	Membership	n/a	100

16 Statutory Information

The registered office and principal place of businesses of the Association are:

Adelaide (registered office):

National Wine Centre
Botanic Road
ADELAIDE SA 5000

Canberra:

NFF House
14-16 Brisbane Avenue
BARTON ACT 2603

Australian Grape and Wine Incorporated

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Statement by Members of the Board

The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements and the requirements of the *Associations Incorporation Act (SA) 1985*.

In the opinion of the Board, the financial report as set out on pages 3 to 16:

1. Presents fairly the financial position of Australian Grape and Wine Incorporated as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Australian Grape and Wine Incorporated 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:

Chairman..........

Dated this 27th day of October 2021

Australian Grape and Wine Incorporated

Independent Audit Report to the members of Australian Grape and Wine Incorporated

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Australian Grape and Wine Incorporated ("Association"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Australian Grape and Wine Incorporated for the year ended 30 June 2021 and its financial performance for the year then ended in accordance with the accounting polices described in Note 2 to the financial statements and the requirements of the *Associations Incorporation Act (SA) 1985*.

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 Association in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association to meet the requirements of the *Associations Incorporation Act (SA) 1985*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Australian Grape and Wine Incorporated

Independent Audit Report to the members of Australian Grape and Wine Incorporated

Information Other than the Financial Report and the Auditor's Report Thereon

The Board is responsible for the other information. The other information comprises the information included in the Board Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Act (SA) 1985*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report is free from material misstatement, whether due to fraud or error.

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

Australian Grape and Wine Incorporated

Independent Audit Report to the members of Australian Grape and Wine Incorporated

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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Australian Grape and Wine Incorporated

Independent Audit Report to the members of Australian Grape and Wine Incorporated

- 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.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PERKS AUDIT PTY LTD

180 Greenhill Road

Parkside SA 5063



PETER J HILL

Director

Registered Company Auditor

Dated this 27th day of October 2021