

Rural Aid Limited

ABN 29 605 783 597

Financial Statements

For the Year Ended 30 June 2017

Rural Aid Limited

ABN 29 605 783 597

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For the Year Ended 30 June 2017

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Rural Aid Limited

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Directors' Report 30 June 2017

The directors present their report on Rural Aid Limited for the financial year ended 30 June 2017.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position
Charles Alder	Director
Tracy Alder	Director
Sandra Lynch	Director
Mark Creswell	Director
Zelina Turner	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Rural Aid Limited during the financial year was to provide a holistic program to rural Australia through understanding the needs of the Australian primary producers and aim to lend a helping hand when times are tough.

No significant changes in the nature of the Company's activity occurred during the financial year.

Members' guarantee

Rural Aid Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members.

At 30 June 2017 the collective liability of members was \$ 50 (2016: \$ 50).

Review of operations

The deficit of the Company after providing for income tax amounted to \$ 50,305.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Other items

Events after the reporting date

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

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Rural Aid Limited

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Directors' Report

30 June 2017

Other items

Auditors independence declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 3 of the financial report.

Future developments

The Company expects to maintain the present status and level of operations.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Rural Aid Limited.

Signed in accordance with a resolution of the Board of Directors:



Director:

Charles Alder

Dated 10 July 2018



INDEPENDENT AUDIT SERVICES

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Level 1, Suite 1a
33 Queen Street
Brisbane QLD 4000

Rural Aid Limited

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Responsible Persons of Rural Aid Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT SERVICES
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'J Thum', with a date '10/7/18' written below it.

Jeremiah Thum
Director

Brisbane, QLD
Date: 10 July 2018

Rural Aid Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	4	57,530	92,809
Other income	4	893,698	836,240
Employee benefits expense	5	(354,744)	(40,174)
Depreciation and amortisation expense	5	(21,696)	(12,255)
Program Costs		(584,152)	(722,976)
Administration Costs		(40,941)	(26,053)
Deficit/ Surplus before income tax		(50,305)	127,591
Income tax expense		-	-
Deficit/ Surplus for the year		(50,305)	127,591
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		(50,305)	127,591

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	50,495	11,460
Trade and other receivables	7	53,899	59,817
Inventories	8	4,794	-
Other assets	10	93	-
TOTAL CURRENT ASSETS		<u>109,281</u>	<u>71,277</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	82,795	82,722
TOTAL NON-CURRENT ASSETS		<u>82,795</u>	<u>82,722</u>
TOTAL ASSETS		<u>192,076</u>	<u>153,999</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	88,156	26,408
Short-term provisions	12	25,871	-
TOTAL CURRENT LIABILITIES		<u>114,027</u>	<u>26,408</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	763	-
TOTAL NON-CURRENT LIABILITIES		<u>763</u>	<u>-</u>
TOTAL LIABILITIES		<u>114,790</u>	<u>26,408</u>
NET ASSETS		<u>77,286</u>	<u>127,591</u>
EQUITY			
Issued capital		127,591	-
Retained earnings		(50,305)	127,591
TOTAL EQUITY		<u>77,286</u>	<u>127,591</u>

The accompanying notes form part of these financial statements.

Rural Aid Limited

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Statement of Changes in Equity For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	127,591	127,591
Deficit for the year	(50,305)	(50,305)
Balance at 30 June 2017	77,286	77,286

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	-	-
Surplus for the year	127,591	127,591
Balance at 30 June 2016	127,591	127,591

The accompanying notes form part of these financial statements.

Rural Aid Limited

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Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Commonwealth, state and local government grants	29,907	115,760
Receipts from donations, bequests and raffles	917,492	753,542
Payments to suppliers and employees	(886,622)	(762,865)
Interest paid	(4)	-
Net cash provided by/ (used in) operating activities	<u>60,773</u>	<u>106,437</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(21,738)</u>	<u>(94,977)</u>
Net cash provided by/ (used in) investing activities	<u>(21,738)</u>	<u>(94,977)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/ (decrease) in cash and cash equivalents held	39,035	11,460
Cash and cash equivalents at beginning of year	<u>11,460</u>	-
Cash and cash equivalents at end of financial year	6 <u><u>50,495</u></u>	<u><u>11,460</u></u>

The accompanying notes form part of these financial statements.

Rural Aid Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Rural Aid Limited as an individual entity. Rural Aid Limited is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Rural Aid Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 10 July 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 and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) 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 Company 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.

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.

Rural Aid Limited 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.

Rural Aid Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(c) 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.

(d) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(e) 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 20%
Furniture, Fixtures and Fittings	5% - 20%
Motor Vehicles	20%
Office Equipment	5% - 40%

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.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

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.

Loans and receivables

Loans and 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.

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 Company's trade and other receivables fall into this category of financial instruments.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) Financial instruments

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

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 Company's available-for-sale financial assets comprise listed securities.

The investment is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(f) Financial instruments

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.

Impairment of financial assets

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

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.

(g) 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.

(h) Employee benefits

Provision is made for the Company'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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Adoption of new and revised accounting standards

The Company 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 Company.

3 Critical Accounting Estimates and Judgments

Those charged with governance 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 - impairment of property, plant and equipment

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

During the year, the company has determined no indicators of impairment to the property, plant and equipment.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2017

4 Revenue and Other Income

Revenue from continuing operations

	2017	2016
	\$	\$
Sales revenue		
- sale of goods	57,530	208,570
Total Revenue	57,530	208,570

	2017	2016
	\$	\$
Other Income		
- donations	863,698	720,480
- grants	30,000	-
	893,698	720,480
Total Revenue and Other Income	951,228	929,050

5 Result for the Year

The result for the year includes the following specific expenses:

	2017	2016
	\$	\$
Other expenses:		
Employee benefits expense	354,744	33,746
Depreciation and amortisation expense	21,696	12,255

6 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	50,495	11,460
	50,495	11,460

Rural Aid Limited

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Notes to the Financial Statements For the Year Ended 30 June 2017

7 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	73	-
GST receivable	53,826	-
Total current trade and other receivables	53,899	-

8 Inventories

	2017	2016
	\$	\$
CURRENT		
At cost:		
Finished goods	4,794	-

9 Property, plant and equipment

	2017	2016
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	15,286	8,878
Accumulated depreciation	(4,166)	(1,776)
Total plant and equipment	11,120	7,102
Furniture, fixtures and fittings		
At cost	14,281	11,132
Accumulated depreciation	(4,597)	(2,196)
Total furniture, fixtures and fittings	9,684	8,936
Motor vehicles		
At cost	49,335	49,335
Accumulated depreciation	(13,024)	(3,157)
Total motor vehicles	36,311	46,178
Office equipment		
At cost	37,845	25,632
Accumulated depreciation	(12,165)	(5,126)
Total office equipment	25,680	20,506
Total plant and equipment	82,795	82,722
Total property, plant and equipment	82,795	82,722

Rural Aid Limited

ABN 29 605 783 597

Notes to the Financial Statements For the Year Ended 30 June 2017

9 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:

	Furniture & Fittings	Motor Vehicles	Office Equipment & Computers	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2016					
Balance at the beginning of year	-	-	-	-	-
Additions at cost	11,132	49,335	25,632	8,878	94,977
Depreciation expense	(2,196)	(3,157)	(5,126)	(1,776)	(12,255)
Carrying amount at the end of the year	8,936	46,178	20,506	7,102	82,722
Year ended 30 June 2017					
Balance at the beginning of year	8,936	46,178	20,506	7,102	82,722
Additions at cost	3,149	-	12,213	6,408	22,189
Depreciation expense	(2,401)	(9,867)	(7,039)	(2,390)	(21,696)
Carrying amount at the end of the year	9,684	36,311	25,680	11,120	82,795

10 Other Assets

	2017	2016
	\$	\$
CURRENT Prepayments	93	-

Rural Aid Limited

ABN 29 605 783 597

Notes to the Financial Statements For the Year Ended 30 June 2017

11 Trade and Other Payables

	2017	2016
	\$	\$
Current		
Trade payables	8,953	11,302
Sundry payables and accrued expenses	79,203	15,106
	<u>88,156</u>	<u>26,408</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Provisions

	2017	2016
	\$	\$
CURRENT		
Provisions – Annual and sick leave	25,871	-

13 Employee Benefits

	2017	2016
	\$	\$
Non-current liabilities		
Long service leave	763	-

14 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2017 the number of members was 5 (2016: 5).

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 110,000.

16 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None).

Rural Aid Limited

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Notes to the Financial Statements For the Year Ended 30 June 2017

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 10 July 2018 by those charged with governance.

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

19 Statutory Information

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

Rural Aid Limited
8 Colebard St E
Acacia Ridge QLD 4110

Rural Aid Limited

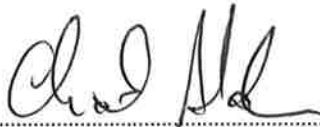
ABN 29 605 783 597

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Responsible person

Charles Alder

Dated 10 July 2018



INDEPENDENT AUDIT SERVICES

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Rural Aid Limited
ABN 29 605 783 597

Independent Audit Report to the members of Rural Aid Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rural Aid Limited, which comprises the statement of financial position as at 30 June 2017, 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 responsible persons' declaration.

In our opinion the financial report of Rural Aid Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Independent Audit Services

In preparing the financial report, the responsible entities are responsible for assessing the Registered Entity'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 responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

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.

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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Registered Entity'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 report or, 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 Registered Entity 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.

We communicate with those charged with governance 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.

INDEPENDENT AUDIT SERVICES Chartered Accountants



**Jeremiah Thum
Director**

Brisbane, QLD
Date: 10th July 2018