

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED

ABN 33 000 033 447

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017

Your directors present their report on the entity for the year ended 31 December 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr Rita Crews OAM	Annette Brown
Susan Deas	Neta Maughan AM
Marlicia Travis	Karen Green
Lorraine Chai	Slobodan Zivkovic
Andrea Calilhanna	

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

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Miss Susan Deas -BA(UTS), BMus(UNSW), MMus, AMusA.

Principal Activities

The principal activities are those of promoting the study, practice, and knowledge of music in New South Wales and supporting and protecting the character, status and common interest of the musical profession in New South Wales.

Operating Results

During the year ended 31 December 2017, the entity made Operating Deficit (\$ 10,823).
(2016 – Surplus \$ 2,540)

Dividends

The entity is limited by Guarantee and is prohibited by its Constitution from paying a dividend. No dividend has been recommended or paid.

Significant Changes in State Of Affairs

There were no significant changes in the state of affairs of the entity during the year.

Future Developments

The entity expects to maintain the present status of and level of operations and hence there are no likely developments in the entity's operations.

After Balance Date Events

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

Environmental Issues

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

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017 (cont'd)

Options

No options over issued shares or interest in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

Dr Rita Crews OAM

Qualification

President

PhD(UNE), BA(Hons)(UNE), AMusTCL, GradCertDistEd(UNE),
FMusicol(ASMC), HonFNMSM, DipMus(hc)(AICM).

Experience

Joined Council in 1987 and over the years served 3 terms in the capacity of Vice-President and 4 terms as President. Deputy chair of the AMEB(NSW).

Examiner with AMEB (NSW) and Chief Examiner for written subjects for both Federal and State levels and former Federal Examiner in written subjects. Recipient of the Distinguished Alumni Award of the University of New England.

Special Responsibilities

President, Editor of the Studio Journal and Chair of the MTA Accreditation Committee

Karen Green

Qualification

Vice President

BMus(Voice), G.CertMus(Voice), M.MusEd (Vocal Performance Studies)

Experience

Joined Council in 2011. Has many years' experience in Singing, Piano and Theory Teaching, Vocal performance, Eisteddfod Adjudication, Composition and Choir/Choral/Orchestral leadership. AMEB Online Written Examiner and NSW State Written Examiner.

Special Responsibilities

Vice President

Annette Brown

Qualification

Treasurer

Experience

Joined Council in 2010 and for more than 10 years she has held various positions in music Organisations such as Australian Music Examinations Board (AMEB), The Australia Youth Orchestra (AYO) Sydney Youth Orchestras (SYO), Moorambilla Voices and Willoughby Symphony.

Special Responsibilities

Treasurer

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017 (cont'd)**

Susan Deas	Secretary
Qualification	BA (UTS), BMus (UNSW), MMus, AMusA
Experience	Joined Council in 2004 and served as Treasurer from 2006 to 2009. Has more than 20 years' experience as a professional pianist, lecturer and teacher. She regularly gives lectures for the University of Sydney's Centre for Continuing Education, and has also lectured for Musica Viva, Willoughby Symphony and the Sydney Philharmonia.
Special Responsibilities	Secretary
Andrea Calilhanna	Director
Qualification	GradDipT(Mus)(QUT), DipMus(QCM), LMusA, AMusA, FCSME
Experience	Joined Council in 2006. Has 30 years of experience teaching piano, musicianship and saxophone and taught Secondary Classroom Music for 15 years; professional accompanist; and adjudicator. Has conducted choral groups and trained pre-service university students. Currently enrolled at the Sydney Conservatorium of Music, Master of Music(Musicology).
Special Responsibilities	Nil
Neta Maughan AM	Director
Qualification	DSCM, FCSME, LMusA, AMusA
Experience	Joined Council in 1972, 35 years keyboard staff at the Sydney Conservatorium of Music, 45 years AMEB examiner and adjudicator. 31 times winner AMEB shield for piano excellence in teaching. President and Vice President on Council of Inner West Eisteddfod for 33 years. 58 years full MTA member and Council member 44 years.
Special Responsibilities	Nil
Prof Slobodan Zivkovic	Director
Qualification	MA, DipMus(Belgrade), BMus, MMus, BME .
	Joined Council in 2002. Has more than 45 years' experience in teaching piano at all levels including tertiary. He attended the Tchaikovsky Conservatorium of Music in Moscow 1970/71 specialising in Piano. He was on the keyboard staff at AICM in Sydney for many years and for more than 24 years has been a member of keyboard staff at Wollongong Conservatorium of Music where he is still a member of the keyboard staff. He has conducted choral groups which won numerous prizes at competitions and he was a Lecturer at two Piano Pedagogy Conferences (the 3rd Piano Pedagogy Conference in Sydney in 1997 and also in Sydney in 2009). At the 3rd Piano Pedagogy Conference he was a member of the Advisory Board. Wrote expert-work "Analyses and Performance of two Beethoven's Piano Sonatas" (op.27 no.1 and op.31 no.2).
Special Responsibilities	Nil

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017 (cont'd)

Marlicia Travis

Qualification
Experience

Director
Associate Degree in Music
Joined council in 2017.

Marlicia has been a private piano teacher for thirty years and holds university degrees in music, theology and psychology. Her experience includes music therapy, parent/child music classes, family work and chaplaincy. She takes a holistic approach to the application of music in our lives and focuses her work on the spiritual and therapeutic aspects of music.

Marlicia is a composer, arranger, choir director and has travelled to the United States, Canada, China as well as throughout Australia with various music groups.

Special Responsibilities

Nil

Lorraine Chai

Qualification
Experience

Director
BMus Studies, Grad Dip Ed, ATCL (*voice*)
Joined council in 2017. Has over 20 years of teaching experience in classroom setting and privately. Teaches a variety of instruments ranging from piano, singing, woodwind, strings, theory and HSC music. Regularly runs workshops and camps for music theory and vocal.

Has conducted choirs, orchestras and bands, directed musicals as well as being an adjudicator, piano accompanist and song writer and arranger. Currently also the author and publisher of STRINGSTASTIC music theory book series for violin players and also a committee member on Australian Strings Association, AUSTA NSW.

Special Responsibilities

Nil

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017 (cont'd)

Meeting of Directors

During the financial year, 6 meeting of directors were held. Attendance by each director were as follows;

	Directors meetings	
	Number eligible to attend	Number attended
Dr Rita Crews OAM	6	6
Annette Brown	6	3
Andrea Calilhanna	6	1 (on leave from February 2017)
Neta Maughan AM	6	5
Slobodan Zivkovic	6	6
Susan Deas	6	6
Karen Green	6	5
Marlicia Travis	5	5
Lorraine Chai	5	4

Indemnifying Officers or 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 the entity.

Proceedings on Behalf of the Entity

No person has applied for the leave of the Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.


Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2017 the collective liability of members was \$5,280 (2016: \$5,480)

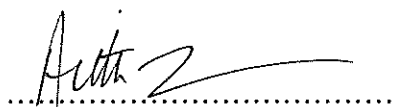
Auditor's Independence Declarations

The auditor's independence declaration for the year ended 31 December 2017 has been received and can be found on page 15.

Signed in accordance with a resolution of the directors.



Dr Rita Crews OAM
(President)



Annette Brown
(Treasurer)

Dated this26th day of ...February.. 2018

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

DIRECTORS' DECLARATION


The directors have determined that the entity is not a reporting entity. The directors have determined that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

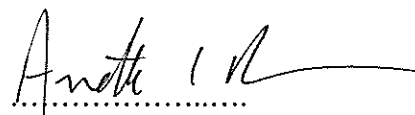
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14 are in accordance with The Corporations Act 2001:
 - (i) comply with Accounting Standards and the Corporations
 - (ii) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the entity

2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.


.....
Dr Rita Crews OAM
(President)


.....
Annette Brown
(Treasurer)

Dated this26th day of ...February.. 2018

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue from members		66,309	99,426
Other revenue		24,874	34,158
Employee benefits expenses		(44,599)	(49,297)
Rental expenses		(15,576)	(14,339)
Audit and accounting fees		(3,740)	(3,740)
Fundraising expenses		(7,003)	(10,644)
Depreciation and amortisation		(560)	(645)
Administrative expenses		(30,528)	(52,379)
Operating Surplus/(loss)		<u>(10,823)</u>	<u>2,540</u>
Income tax expense		-	-
Surplus/ (loss) for the year		<u>(10,823)</u>	<u>2,540</u>
Other comprehensive income for the year:		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year		<u>(10,823)</u>	<u>2,540</u>

The accompany notes form part if these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	3	55,500	58,326
Trade and other receivables	4	8,989	2,593
Financial assets	5	181,052	181,052
Other assets	6	<u>500</u>	<u>500</u>
Total Current Assets		<u>246,041</u>	<u>242,471</u>
Non-Current Assets			
Property, plant and equipment	7	<u>2,239</u>	<u>2,799</u>
Total Non-Current Assets		<u>2,239</u>	<u>2,799</u>
Total Assets		<u>248,280</u>	<u>245,270</u>
Current Liabilities			
Trade and other payables	8	<u>3,825</u>	<u>2,574</u>
Total Current Liabilities		<u>3,825</u>	<u>2,574</u>
Total Liabilities		<u>3,825</u>	<u>2,574</u>
Net Assets		<u>244,455</u>	<u>242,696</u>
Members' Fund			
Reserves	9	227,780	220,812
Retained earnings		<u>16,675</u>	<u>21,884</u>
Total Members Fund		<u>244,455</u>	<u>242,696</u>

The accompany notes form part of these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Retained Earnings	Total
Balance at 1 January 2016	11,279	11,279
Surplus attributable to the entity – 2016 year	2,540	2,540
Prior period Adjustments	11,093	11,093
Transfer to/from special purpose funds	<u>(3,028)</u>	<u>(3,028)</u>
Balance at 31 December 2016	21,884	21,884
Loss attributable to the entity – 2017 year	(10,823)	(10,823)
Prior period Adjustments	-	-
Transfer to/from special purpose funds	<u>5,614</u>	<u>5,614</u>
Balance at 31 December 2017	<u>16,675</u>	<u>16,675</u>

The accompanying notes form part of these financial statements

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from members and customers		108,871	147,919
Payments to suppliers and employees		(111,712)	(157,942)
Interest received		<u>15</u>	<u>8,212</u>
Net cash (used in)/generated from operating activities	11	<u>(2,826)</u>	<u>(1,811)</u>
Cash Flows from Investing Activities			
Payment for property, plant and equipment		-	(219)
Payment for investments in held to maturity assets		<u>-</u>	<u>-</u>
Net cash used in investment activities		<u>-</u>	<u>(219)</u>
Cash Flows from Financing Activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/ (decrease) in cash held		(2,826)	(2,030)
Cash at the beginning of the financial year		<u>58,326</u>	<u>60,355</u>
Cash at the end of the financial year		<u>55,500</u>	<u>58,326</u>

The accompany notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: Statement of Significant Accounting Policies

The directors have determined that the entity is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared to meet the needs of the Directors and Members.

The financial statements have been prepared in accordance with the mandatory Australian Accounting standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report has been based on historical costs unless otherwise stated in the notes. The significant accounting policies have been adopted in the preparation of this report are as follows:

a. Revenue

Revenue from membership fees, subscriptions, donations, bequests and interest are recognised when received.

b. Plant and Equipment

Plant and equipment are measured on the cost basis and less depreciation and impairment losses.

Depreciation

Plant and equipment are depreciated over their estimated useful lives using the diminishing value method.

c. Income Tax

No provision for income tax has been made. The entity is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997.

d. Cash and Cash Equivalent

Cash and cash equivalent include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

e. Leases

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

f. Goods and Services Tax (GST)

The entity was deregistered from GST on 30 September 2010.

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (cont)

g. Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Financial instruments are initially measured at fair value plus transaction costs.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets (note 5) that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised costs.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

h. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial Statements based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Note 2: Surplus/ (loss) before Income Tax

	2017	2016
	\$	\$
Expenses		
Depreciation and amortisation	<u>560</u>	<u>645</u>
Remuneration of auditor		
- audit financial statements	2,750	2,750
- other services	<u>990</u>	<u>990</u>
	<u>3,740</u>	<u>3,740</u>

Note 3: Cash and Cash Equivalents

Cash at bank	55,500	58,326
Cash on hand	<u>-</u>	<u>-</u>
	<u>55,500</u>	<u>58,326</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (cont)

	2017	2016
	\$	\$
Note 4: Trade and Other Receivables		
Trade receivables	309	901
Interest Receivable	6,227	615
Prepaid Expenses	<u>2,451</u>	<u>1,077</u>
	<u>8,988</u>	<u>2,593</u>
Note 5: Financial assets		
CURRENT		
Held to maturity financial assets	<u>181,052</u>	<u>181,052</u>
Held to maturity assets are bank term deposit with maturity of less than 12 months.		
Note 6: Other assets		
Security deposit	<u>500</u>	<u>500</u>
Note 7: Plant and Equipment		
Office furniture and equipment – at cost	45,870	45,870
Less accumulated depreciation	<u>(43,630)</u>	<u>(43,071)</u>
	<u>2,239</u>	<u>2,799</u>
G. Hawkin Memorial Library – at cost	272	272
Less accumulated depreciation	<u>(272)</u>	<u>(272)</u>
	<u>-</u>	<u>-</u>
Total Plant and Equipment	<u>2,239</u>	<u>2,799</u>
Note 8: Trade and Other Payables		
Accrued expenses	671	417
Sundry payables	-	-
Superannuation payable	633	230
PAYG payable	<u>2,522</u>	<u>1,927</u>
	<u>3,826</u>	<u>2,574</u>
Note 9: Reserves		
Asset revaluation reserve	-	-
General reserve	-	-
Special purpose & bequest funds (Note 10)	<u>227,780</u>	<u>220,812</u>
	<u>227,780</u>	<u>220,812</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont)

Note 10: Special Purpose Funds	2017	2016
	\$	\$
M.T.A Scholarships		
Balance brought forward	-	47
Add: Interest received	<u>-</u>	<u>-</u>
	-	47
Less: Prizes and awards	-	47
Less: Management fees	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Margaret Chalmers Scholarship		
Balance brought forward	7,477	7,708
Add: Interest received	<u>1</u>	<u>1</u>
	7,478	7,708
Less: Management fees	224	231
Less: Prizes and awards	<u>-</u>	<u>-</u>
	<u>7,254</u>	<u>7,477</u>
Benevolent Fund		
Balance brought forward	210,839	207,662
Add: Interest received	28	8,231
Add: Donations received	<u>17,083</u>	<u>11,183</u>
	227,950	227,076
Less: Management fees	6,378	6,405
Less: Donations & expenses	<u>3,467</u>	<u>9,832</u>
	<u>218,105</u>	<u>210,839</u>
Elizabeth Todd Scholarship		
Balance brought forward	2,496	511
Add: Donations received	-	2,000
Add: Interest received	<u>-</u>	<u>-</u>
	2,496	2,511
Less: Bank Charges	-	-
Less: Management fees	75	15
Less: Prizes and awards	<u>-</u>	<u>-</u>
	<u>2,421</u>	<u>2,496</u>
Gwenyth Pryor Professional Development		
Balance brought forward	-	2,889
Add: Interest received	<u>-</u>	<u>-</u>
	-	2,889
Less: Bank Charges	-	50
Less: Management fees	-	-
Less: Donation for Conferences	<u>-</u>	<u>2,839</u>
	<u>-</u>	<u>-</u>
Total special purpose & bequest funds	<u>227,780</u>	<u>220,812</u>

MUSIC TEACHERS' ASSOCIATION OF NSW LIMITED
ABN 33 000 033 447

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont)

	2017	2016
	\$	\$
Note 11: Cash Flow Information		
Reconciliation of cash flow from operations		
With surplus/(loss) after income tax		
Surplus/(loss) after income tax	(10,823)	2,540
Prior Period Adjustments	-	11,093
Transfer to/from reserves	5,614	(3,028)
Non cash flows in profit		
Depreciation	560	645
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(6,395)	(2,769)
Increase/(Decrease) in creditors	1,250	(12,284)
Increase/(Decrease) in special purpose & bequest funds	<u>6,968</u>	<u>1,994</u>
Net cash provided by/(used in) operating activities	<u>(2,826)</u>	<u>(1,811)</u>

Note 12: Entity Details

The registered office and principal place of business of the Music Teachers' Association of NSW Ltd is:

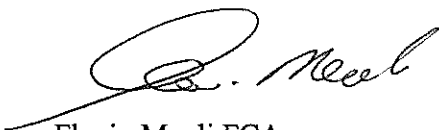
Suite 4, 17 Frederick Street
Oatley NSW 2223

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Music Teachers' Association of NSW Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 31 December, 2017, there have been:

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



Flavio Meoli FCA
Registered Company Auditor
No. 4400

Dated in Sydney on: 26 February 2018



CHARTERED ACCOUNTANTS
AUSTRALIA - NEW ZEALAND

Flavio Meoli B.Com., F.C.A.
Sarina Meoli B.Bus., F.C.A.

ABN: 93 466 745 204

PO Box 262, BURWOOD NSW 2134
Level 1, 94 Burwood Road, BURWOOD NSW 2134

Telephone: (02) 9744 3034
Facsimile: (02) 9747 3034

Independent Auditor's Report To the Members of Music Teachers Association of NSW Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Music Teachers Association of NSW Limited ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of 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 directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 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 Company 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*, 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.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, 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 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 and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

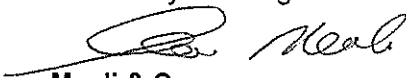
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Meoli & Co.,
Chartered Accountants

Sydney NSW

Mr Flavio Meoli
Partner

Date 26 FEBRUARY 2018

