

***NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL LTD***

30 JUNE 2017

Financial Report

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenues from ordinary activities	(3)	25,889,000	15,162,132
Expenses from ordinary activities	(4)	(25,579,824)	(15,156,707)
Profit/(Loss) from ordinary activities before income tax expense		309,176	5,425
Income tax expense relating to ordinary activities	(1)	-	-
Profit/(Loss) from ordinary activities after income tax expense		309,176	5,425
Total Comprehensive Income		309,176	5,425

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash & Cash Equivalents	(5)	4,210,204	1,853,419
Trade & Other Receivables	(6)	141,707	248,364
Other Assets	(7)	193,904	226,601
TOTAL CURRENT ASSETS		4,545,815	2,328,384
NON-CURRENT ASSETS			
Property, Plant & Equipment	(8)	310,690	338,412
Other Financial Assets	(9)	10,524	10,524
TOTAL NON-CURRENT ASSETS		321,214	348,936
TOTAL ASSETS		4,867,029	2,677,320
CURRENT LIABILITIES			
Trade & Other Payables	(10)	1,128,163	768,947
Provisions	(11)	618,264	384,114
Other Liabilities	(12)	1,480,252	163,451
TOTAL CURRENT LIABILITIES		3,226,679	1,316,512
NON-CURRENT LIABILITIES			
Provisions	(11)	50,735	80,369
TOTAL NON-CURRENT LIABILITIES		50,735	80,369
TOTAL LIABILITIES		3,277,414	1,396,881
NET ASSETS		1,589,615	1,280,439
EQUITY		=====	=====
Retained Profits	(13)	1,589,615	1,280,439
TOTAL EQUITY		1,589,615	1,280,439
		=====	=====

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants receipts in the course of operations		28,841,626	15,255,009
Other operating receipts		823,294	553,377
Cash payments in the course of operations		(27,304,986)	(16,518,905)
Interest received		99,689	77,069
Net cash provided/(used) by operating activities(17ii)		2,459,623	(633,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of property, plant and equipment		52,700	265,767
Payments for property, plant and equipment		(155,538)	(50,247)
Net cash provided /(used) in investing activities		(102,838)	215,520
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of finance lease borrowings		-	(23,198)
Net cash used in financing activities		-	(23,198)
Total net increase/(decrease) in cash held		2,356,785	(441,128)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		1,853,419	2,294,547
CASH AT THE END OF THE FINANCIAL YEAR	(17i)	4,210,204 =====	1,853,419 =====

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Total Retained Earnings at the beginning of the year		1,280,439	1,189,833
Net profit/(loss) for the financial year	(13)	309,176	5,425
Transfer from Reserves		-	85,181
Total retained earnings at the end of the year		1,589,615	1,280,439
Total equity at the end of the financial year		1,589,615	1,280,439

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the company in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The company satisfies the definition of a Tier 2 entity in accordance with Australian Accounting Standard AASB 1053, therefore the Australian Accounting Standards – Reduced Disclosure Requirements has been adopted.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Receivables & Revenue Recognition

Trade debtors are recognised at the amount receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where the collection of the full amount of the debt is no longer probable.

Revenue is measured as the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and discounts given. Grants received from the government on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

(c) Impairment of Assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is based on the depreciated replacement cost of the asset.

(d) Cash & Cash Equivalents

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

(e) Investments & Other Financial Assets

The company classifies its investments in the following categories: loans and receivables and available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

- Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets as receivables in the balance sheet.

- Available-for-sale financial assets

Are non-derivative financial assets that are either designated as available-for-sale or are not classified as financial assets at fair value through profit and loss, held-to-maturity investments or loans and receivables.

Available-for-sale financial assets are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Movements in the fair value of available-for-sale financial assets are recorded in the available-for-sale reserve.

(f) Property, Plant & Equipment

Property, plant and equipment are carried at cost, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of depreciated replacement cost.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

Depreciation is provided on plant and equipment so as to write off the assets progressively over their estimated remaining useful lives from the time the asset is held ready for use. Both the prime cost method and diminishing value method of calculating depreciation are applied to property, plant and equipment.

The following indicates the typical rates of depreciation used for property, plant and equipment and on which depreciation charges are based:

Plant & Equipment	- 5 to 20% Prime Cost
Motor Vehicles	- 20 % Prime Cost

(g) Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries and annual leave that are expected to be paid within 12 months of the reporting date are recognised in respect of employee service up to the reporting date, and are measured at the amounts expected to be paid on settlement.

Long Service Leave

Liability for long service leave is recognised based upon employee service up to the reporting date. It is measured at the present value of expected future payments relating to past service, using corporate bond rates current at balance date.

Superannuation

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(h) Trade & Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

(i) Income Tax

The company has been granted exemption from income tax under the Income Tax Assessment Act.

(j) Other Liabilities

These amounts represent grant funding that has been received in advance of the period to which it relates. Grant income is brought to account when the company gains control of the revenue in accordance with the conditions of the funding agreement.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

(k) Leases

Leases of plant & equipment where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The following standard is relevant to the company:

AASB 116: Leases (applicable for the company from the year ending 30 June 2020). This standard will replace the classification of the company's property and motor vehicle leases as operating leases and the leases will be accounted for as follows:

- recognition of a right-to-use asset and liability for all leases longer than 12 months;
- depreciation of the right-to-use asset and unwinding of the liability in principal and interest components.

The transitional provisions of AASB 116 allow the company to retrospectively apply the standard to comparatives or recognise the effect as an adjustment to opening equity on date of application.

No other new accounting standards are expected to have a material effect on the company's financial statements as a result of assessments to date.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates & Judgements

The Board evaluate estimates and judgements incorporated in the financial report 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 from within the company.

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
3. REVENUES FROM ORDINARY ACTIVITIES		
Grants	25,064,305	14,562,278
Operating	581,936	404,974
Other Income	242,759	194,626
	<u>25,889,000</u>	<u>15,162,132</u>
4. EXPENSES FROM ORDINARY ACTIVITIES		
Administration	1,159,166	784,336
Brokerage	324,977	279,113
Consultants	291,420	183,190
Cost of sales - training/conferences	48,211	76,866
Depreciation	128,255	121,921
Employee costs	9,379,112	6,168,768
Equipment	262,663	85,520
IT Support & maintenance	281,318	138,215
Motor vehicles	244,564	186,789
Premises	629,905	332,535
Program partners	12,355,029	6,561,399
Training & development	193,959	120,412
Telephone/fax	281,245	117,643
	<u>25,579,824</u>	<u>15,156,707</u>
5. CASH & CASH EQUIVALENTS		
Cash on Hand	2,001	3,019
Cash at Bank	4,208,203	1,850,400
	<u>4,210,204</u> =====	<u>1,853,419</u> =====

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
6. TRADE & OTHER RECEIVABLES		
Trade Debtors	60,139	243,911
Accrued Income	81,568	4,453
	<u>141,707</u>	<u>248,364</u>
	=====	=====
7. OTHER ASSETS		
Current		
Prepayments	23,912	93,715
Other	83,541	7,305
GST Receivable	86,451	125,581
	<u>193,904</u>	<u>226,601</u>
	=====	=====
8. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment at Cost	95,763	79,620
Accumulated Depreciation	(53,090)	(67,836)
	<u>42,673</u>	<u>11,784</u>
	=====	=====
Motor Vehicles at Cost	574,324	644,458
Accumulated Depreciation	(306,307)	(317,830)
	<u>268,017</u>	<u>326,628</u>
	<u>310,690</u>	<u>338,412</u>
	=====	=====

a) Movement in Carrying Amounts

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

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Balance at beginning of year	11,784	326,628	338,412
Additions	39,270	116,267	155,537
Disposals	-	(55,004)	(55,004)
Depreciation	(8,381)	(119,874)	(128,255)
End of Year Carrying Amount	<u>42,673</u>	<u>268,017</u>	<u>310,690</u>

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
9. FINANCIAL ASSETS		
Non-current: <i>Available-for-sale</i>		
Shares in listed entity (IAG)	10,524	10,524
	<u>10,524</u>	<u>10,524</u>
	=====	=====
10. TRADE & OTHER PAYABLES		
Unsecured Liabilities		
Trade creditors	205,546	393,686
Accrued Expenses	922,617	375,261
	<u>1,128,163</u>	<u>768,947</u>
	=====	=====
11. PROVISIONS		
Current		
Provision for Annual Leave	520,769	299,844
Provision for Long Service Leave	97,495	84,270
	<u>618,264</u>	<u>384,114</u>
Non-Current		
Provision for Long Service Leave	50,735	80,369
	<u>50,735</u>	<u>80,369</u>
	<u>668,999</u>	<u>464,483</u>
	=====	=====

The movement in Provision for employee benefits during the year was as follows:

Opening balance	464,483	378,002
Amounts provided for	807,720	530,467
Less leave paid out	(603,204)	(443,986)
	<u>668,999</u>	<u>464,483</u>
Closing Balance	=====	=====

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

	2017 \$	2016 \$
12. OTHER LIABILITIES		
Grants Received in Advance	825,812	163,451
Grants Received in Advance – LAC	654,440	-
	<u>1,480,252</u> =====	<u>163,451</u> =====
	2017 \$	2016 \$
13. RETAINED PROFITS		
Retained Profits at the beginning of the financial year	1,280,439	1,189,833
Net Profit/(Loss)	309,176	5,425
Transfer from Reserves	-	85,181
	<u>1,589,615</u> =====	<u>1,280,439</u> =====
Retained Profits at the end of the financial year		
14. ASSET REVALUATION RESERVE		
Reserve at the beginning of the financial year	-	85,181
Transfer to retained profits on sale	-	(85,181)
	<u>-</u> =====	<u>-</u> =====
Reserve at the end of the financial year		

15. COMPANY DETAILS

The principal place of business of the company is 16 Keen St Lismore.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

16. KEY MANAGEMENT PERSONNEL

Directors

Kellie Shields (President)
 Karen Hazan (Deputy Chairperson)
 Keith Sloan (Chair Finance Committee)
 Leanne Coventry (Secretary)
 Orit Ben-Harush
 Deborah Stafford
 Nick Freeburn
 Glenys Ritchie (resigned 27 October 2016)
 Paul Cruickshank (deceased 1 February 2017)
 Simon Adcock (resigned 22 June 2017)

	2017	2016
	\$	\$

Other Key Management Personnel

This consists of the CEO and the various program stream managers.

Key Management Personnel Compensation

Short term and post-employment benefits	704,651	534,829
	704,651	534,829
	704,651	534,829

Other Related Party Transactions

From time to time board members of the company, or board member-related entities, may purchase/supply goods or services from/to the company. These purchases/supplies are on the same terms and conditions as those entered into by other company employees, customers or suppliers.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

17. NOTES TO THE CASH FLOW STATEMENT

(i) RECONCILIATION OF CASH

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

		2017	2016
		\$	\$
Cash on Hand	(5)	2,001	3,019
Cash at Bank	(5)	4,208,203	1,850,400
		<u>4,210,204</u>	<u>1,853,419</u>
		=====	=====

**(ii) RECONCILIATION OF CASH FLOW
FROM OPERATIONS WITH OPERATING
PROFIT/(LOSS) AFTER INCOME TAX**

Operating Profit/(Loss) after income tax	309,176	5,425
Add/(Less) Non-Cash Items:		
Amounts set aside to provisions	204,516	86,481
Depreciation	128,255	121,621
(Profit)/Loss on sale of Non-Current Assets	(1,934)	(9,554)
	<u>640,013</u>	<u>203,973</u>
Net Cash provided by Operating Activities before changes in Assets and Liabilities	640,013	203,973
Changes in Assets & Liabilities:		
(Increase)/Decrease in other assets	(6,434)	(64,862)
(Increase)/Decrease in receivables	106,656	(54,059)
(Decrease)/Increase in payables	363,456	119,794
(Decrease)/Increase in other liabilities	1,316,802	(709,438)
(Decrease)/Increase in GST receivable	39,130	(128,858)
	<u>2,459,623</u>	<u>(633,450)</u>
	=====	=====
Net Cash Provided by Operating Activities	2,459,623	(633,450)

(iii) NON-CASH FINANCING ACTIVITIES

Property, Plant and Equipment

There were no non-cash financing or investing activities during the year (2016: nil).

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
NOTES TO THE FINANCIAL STATEMENTS

18. COMMITMENTS FOR EXPENDITURE

	2017	2016
	\$	\$
a) Operating Lease Commitments – Office Leases		
Payable - 0 to 1 year	679,528	239,520
Payable - 1 to 5 years	622,436	341,188
	<u>1,301,964</u>	<u>580,708</u>
	=====	=====
b) Operating Lease Commitments – Motor Vehicles		
Payable - 0 to 1 year	416,545	55,011
Payable - 1 to 5 years	355,328	24,135
	<u>771,873</u>	<u>79,146</u>
	=====	=====

19. EVENTS OCCURRING AFTER BALANCE DATE

There were no events subsequent to balance date which may require adjustment to or disclosure in the financial statements.

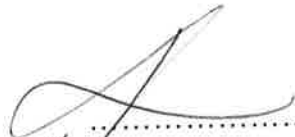
The Board of Directors of the company have authorised the issue of this financial report on 28 September 2017.


NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD
DIRECTORS DECLARATION

In the opinion of the Directors of the company:-

- a) the financial statements and notes for the financial year ended 30 June 2017 comply with the accounting standards; and
- b) the financial statements and notes for the financial year ended 30 June 2017 give a true and fair view of the financial position and performance of the company; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- d) the financial statements and notes for the financial year ended 30 June 2017 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

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

 Acting
Karen Nazan – Chairperson

 Director
Robert Henry Keith Sloan

Dated at Lismore – 28 September 2017

28 September 2017

The Board of Directors
Northern Rivers Social Development
Council Ltd
PO Box 5419
EAST LISMORE NSW 2480

**REGISTERED
COMPANY
AUDITORS**

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA, Dip. FP

SI Trustum
BBus, CA, Dip. FP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA, Dip. FP

SI Trustum
BBus, CA, Dip. FP

T Bazzana
BBus, CA, Dip. FP, AFP*

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of Northern Rivers Social Development Council Ltd for the year ended 30 June 2017 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable Code of Professional Conduct in relation to this audit.

Yours faithfully,

wca audit & assurance services pty ltd
Authorised Audit Company



Trevor W Graham
Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD

Opinion

We have audited the financial report of Northern Rivers Social Development Council Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Northern Rivers Social Development Council Ltd, is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, 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-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 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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.

REGISTERED COMPANY AUDITORS

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA, Dip. FP

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TL Kirkland
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL LTD (CONTD)

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 in accordance with Australian Accounting Standards-Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 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.

[A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.]

wca audit & assurance services pty ltd
Authorised Audit Company



Trevor W Graham
Director

Dated: 28th September 2017

REGISTERED COMPANY AUDITORS

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SI Trustum
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