

FLINDERS CAMPUS COMMUNITY SERVICES INC

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017**

FLINDERS CAMPUS COMMUNITY SERVICES INC

CONTENTS

Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7
Statement by Board of Management	14
Board of Management Report	15
Independent Audit Report	16
Auditor's Independence Declaration	17

FLINDERS CAMPUS COMMUNITY SERVICES INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Income			
Trading Revenue:			
Sales		2,776,100	3,984,393
Sales - Other		118,926	180,624
Other Income:			
Interest		16,939	21,293
SSAF		657,000	543,000
		<hr/>	<hr/>
Total Income		3,568,965	4,729,310
		<hr/>	<hr/>
Expenditure			
Cost of Sales		1,022,690	1,570,422
Financial Expenses		30,698	37,095
Employee Benefits Expense		1,825,825	2,576,838
Administration Expenses		765,841	737,002
Depreciation & Amortisation		116,528	113,567
Rent		85,887	68,027
Repairs and Maintenance		39,346	39,931
Loss on Asset Disposal		125,117	-
		<hr/>	<hr/>
Total Expenditure		4,011,932	5,142,882
		<hr/>	<hr/>
Net Operating Result		(442,967)	(413,572)
		<hr/>	<hr/>
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss		-	-
Items that will be subsequently reclassified to profit or loss when specific conditions are met		-	-
		<hr/>	<hr/>
Total Other Comprehensive Income		-	-
		<hr/>	<hr/>
Total Comprehensive Income for the year		(442,967)	(413,572)
		<hr/>	<hr/>

The Statement of Profit Or Loss and Other Comprehensive is to be read in conjunction with the
Notes to the Financial Statements for the year ended 31 December 2017

FLINDERS CAMPUS COMMUNITY SERVICES INC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	936,857	1,172,160
Trade and Other Receivables	3	12,055	209,799
Inventories	4	2,663	142,348
Other Assets	5	5,209	7,883
		<hr/>	<hr/>
Total Current Assets		956,784	1,532,190
NON CURRENT ASSETS			
Plant & Equipment	6	630,558	834,632
Intangible Assets	7	6,250	6,250
		<hr/>	<hr/>
Total Non-Current Assets		636,808	840,882
		<hr/>	<hr/>
Total Assets		1,593,592	2,373,072
CURRENT LIABILITIES			
Trade and Other Payables	8	71,576	177,513
Provisions	9	146,638	353,222
		<hr/>	<hr/>
Total Current Liabilities		218,214	530,735
NON CURRENT LIABILITIES			
Provisions	9	-	23,992
		<hr/>	<hr/>
Total Non-Current Liabilities		-	23,992
		<hr/>	<hr/>
Total Liabilities		218,214	554,727
NET ASSETS			
		<hr/>	<hr/>
		1,375,378	1,818,345
EQUITY			
Retained profits		1,375,378	1,818,345
		<hr/>	<hr/>

The Statement of Financial Position is to be read in conjunction with the
Notes to the Financial Statements for the Year Ended 31 December 2017

FLINDERS CAMPUS COMMUNITY SERVICES INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Receipts from Customers		3,752,370	5,121,804
Interest		14,339	21,293
Outflows:			
Payments to Suppliers		(1,908,040)	(2,871,205)
Payments to Employees		(2,056,401)	(2,597,487)
Net Cash Provided/(Used in) Operating Activities	10	(197,732)	(325,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant & Equipment		21,000	-
Payments for Plant & Equipment		(58,571)	(77,914)
Net Cash Provided/(Used in) Investing Activities		(37,571)	(77,914)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net Cash Provided/(Used in) Financing Activities		-	-
Net Increase/(Decrease) in cash held		(235,303)	(403,509)
Cash at beginning of financial year		1,172,160	1,575,669
Cash at end of financial year		936,857	1,172,160

The Statement of Cash Flows is to be read in conjunction with the
Notes to the Financial Statements for the Year Ended 31 December 2017

FLINDERS CAMPUS COMMUNITY SERVICES INC
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2017

	Retained Earnings \$	Total \$
Balance at 31 December 2015	2,231,917	2,231,917
Net Operating Result	(413,572)	(413,572)
Other Comprehensive Income	-	-
	<hr/>	<hr/>
Balance at 31 December 2016	1,818,345	1,818,345
	<hr/>	<hr/>
Net Operating Result	(442,967)	(442,967)
Other Comprehensive Income	-	-
	<hr/>	<hr/>
Balance at 31 December 2017	1,375,378	1,375,378
	<hr/>	<hr/>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements for the year ended 31 December 2017

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 STATEMENT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985 (SA)*. The Board of Management has determined that the Association is not a reporting entity and a not-for-profit entity for financial reporting purposes.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

(b) Leases

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

(c) Goods and 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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the ATO are presented as operating cash flows and included in the receipts from customers or payments to suppliers. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

1 STATEMENT OF ACCOUNTING POLICIES (CONT)

(d) Income Tax

Flinders Campus Community Services Inc is exempt from income tax under section 50-5 of the *Income Tax Assessment Act 1997*.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

A portion of cash and cash equivalents is held in trust on behalf of the association by the Flinders University of South Australia. The association has unlimited access to these funds and receives the full benefit of any interest earned on these amounts.

(f) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods and services provided in the ordinary course of business and any outstanding grant receipts and commissions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method whereby the initial amount is adjusted by discounting the cash flows of the expected receipts through the expected collection period with any adjustment in the balance being recognised in the profit or loss.

The carrying value is reduced for any provision for impairment through a separate allowance account where there is objective evidence that indicates that the full amount may not be received. If it is established that the carrying amount cannot be recovered the written-off amounts are charged to the allowance account, or the carrying amount is reduced directly if no impairment amount was previously recognised in the allowance account.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Any excess of the inventories cost over the net realisable value, which is the estimated selling price less estimated extra costs to make the sale are recognised immediately in profit or loss.

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

1 STATEMENT OF ACCOUNTING POLICIES (CONT)

(h) Plant and Equipment

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation and impairment losses. The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. The depreciation rates for plant and equipment is between 7% and 33.33%. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of each reporting period, the entity reviews the carrying amounts of the plant and equipment to determine whether there is any indication that those assets have been impaired. If such an indication exists the carrying amount of the asset is compared to the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

(i) Intangible Assets

Intangible assets are initially recognised at cost. If the asset has a finite life it is carried at cost less any accumulated amortisation and impairments losses. If the asset has an indefinite life it is not amortised and is assessed annually for impairment even if there is no indication of impairment whereby the carrying amount of the asset is compared to the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss..

(j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the association that remain unpaid at the end of the reporting period. The balance is recognised as a current liability. If the association has an unconditional right to defer payment of the liability beyond 12 months of the end of the reporting period then the payables are classified as non-current liabilities. Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method whereby the initial amount is adjusted by discounting the cash flows of the expected payments through the expected payment period with any adjustment in the balance being recognised in the profit or loss.

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

1 STATEMENT OF ACCOUNTING POLICIES (CONT)

(k) Provisions

Provisions are recognised when the association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Employee Benefits

Employee benefits are all forms of consideration given to employees in exchange for services rendered. Provision is made in respect of the liability for Annual Leave and Long Service Leave at balance date and measured at the amounts expected to be paid when the liability is settled. Long Service Leave is provided for all employees who have reached 5 years of service. Long Service Leave provided for employees with 7 or more years of service is classified as a current liability as the association does not have a right to defer payment of these balances. However, it is not expected that all of these amounts will be payable in the next 12 months.

	2017	2016
	\$	\$
2. CASH AND CASH EQUIVALENTS		
BankSA Cheque Account	539,535	189,647
Flinders University of SA	396,523	814,600
Cash Floats and Petty Cash	800	30,250
BankSA Portfolio Account	(1)	137,663
	936,857	1,172,160
3. TRADE AND OTHER RECEIVABLES		
Current		
Accounts Receivable	1,455	198,416
Less: Provision for Doubtful Debts	-	-
Accrued Income	10,600	11,383
	12,055	209,799

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	2017 \$	2016 \$
4. INVENTORIES		
Retail Shop	-	95,782
Sturt Retail Shop	-	11,302
OneByte	-	2,079
DeCafe	-	14,794
Coopers Bar	-	-
McHughs	-	3,229
Wholefood	-	7,048
Sports Retail	2,663	3,112
Subway	-	3,082
Coffee Cart	-	1,920
	<hr/>	<hr/>
	2,663	142,348
	<hr/>	<hr/>
5. OTHER ASSETS		
Prepayments	5,209	7,883
	<hr/>	<hr/>
	5,209	7,883
	<hr/>	<hr/>
6. PLANT & EQUIPMENT		
Plant & Equipment at cost	1,234,098	1,920,676
Less: Accumulated Depreciation	(603,540)	(1,086,044)
	<hr/>	<hr/>
	630,558	834,632
	<hr/>	<hr/>
7. INTANGIBLE ASSETS		
Subway Franchise Fee	6,250	6,250
	<hr/>	<hr/>
	6,250	6,250
	<hr/>	<hr/>

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Trade Creditors	12,653	15,400
Accruals	25,026	57,800
GST Payable (net)	8,209	50,597
Visa Clearing	333	(1,092)
PAYG Payable	13,154	28,169
Payroll Tax Payable	2,636	10,177
Workcover Payable	-	520
Superannuation Payable	4,385	11,462
Other	5,180	4480
	71,576	177,513
	71,576	177,513
9. PROVISIONS		
Current		
Annual Leave	37,410	94,277
Long Service Leave	109,228	258,945
	146,638	353,222
	146,638	353,222
Non-Current		
Long Service Leave	-	23,992
	-	23,992
	-	23,992

FLINDERS CAMPUS COMMUNITY SERVICES INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (CONT)

	2017 \$	2016 \$
10. CASH FLOW INFORMATION		
Reconciliation of cash flows from operations with profit from ordinary activities.		
Net Operating Result	(442,967)	(413,572)
Non-Cash Flows in Net Operating Result:		
Depreciation and Amortisation	116,528	113,567
Loss / (Profit) on Asset Disposal	125,117	-
Changes in Assets and Liabilities:		
Decrease/ (Increase) in Trade and Other Receivables	197,744	(15,436)
Decrease/ (Increase) in Inventories	139,685	2,948
Decrease/ (Increase) in Other Assets	2,674	1,447
Increase/ (Decrease) in Trade and Other Payables	(105,937)	30,091
Increase/ (Decrease) in Provisions	(230,576)	(44,640)
	<hr/>	<hr/>
Net Cash Provided/(Used in) Operating Activities	(197,732)	(325,595)
	<hr/>	<hr/>
11. PAYMENTS TO OFFICERS OF THE FCCS BOARD OF MANAGEMENT		
During the period ended 31 December 2017 the following payments were made to an officer or a firm of which an officer of the FCCS was a member:		
Andrew Nairn - General Manager	143,810	202,506
	<hr/>	<hr/>
	143,810	202,506
	<hr/>	<hr/>
12. OPERATING LEASE COMMITMENTS		
Minimum lease payments on operating leases contracted for but not recognised in the financial statements payable:		
no later than 12 months	-	72,100
- between 12 months and five years	-	207,058
	<hr/>	<hr/>
	-	279,158
	<hr/>	<hr/>


The operating lease commitments were property leases contracted for a 5 year term with 3% fixed increases per annum which were cancelled during the current year.


FLINDERS CAMPUS COMMUNITY SERVICES INC
STATEMENT BY BOARD OF MANAGEMENT


In the opinion of the Board of Management of Flinders Campus Community Services Incorporated:

1. The accompanying Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including giving a true and fair view of the financial position of Flinders Campus Community Services Inc as at 31 December 2017 and the result of its operations for the year ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements; and
2. At the date of this statement, there are reasonable grounds to believe that Flinders Campus Community Services Inc will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Board.


.....
Board Member


.....
Board Member


.....
Name of Signatory


.....
Name of Signatory

Dated this 21st day of February 2018

FLINDERS CAMPUS COMMUNITY SERVICES INC
REPORT BY BOARD OF MANAGEMENT

In accordance with Section 35(5) of the *Associations Incorporation Act 1985 (SA)*, the Board of Management of Flinders Campus Community Services Inc hereby states that during the financial year ended 31 December 2017.

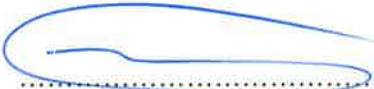
- 1. (a) no officer of Flinders Campus Community Services Inc;
- (b) no firm of which an officer is a member; and
- (c) no body corporate in which an officer has a substantial financial interest;

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and Flinders Campus Community Services Inc except as disclosed in the Notes to the Financial Statements; and

- 2. No officer of Flinders Campus Community Services Inc has received directly or indirectly from Flinders Campus Community Services Inc any payment or other benefit of a pecuniary value except as disclosed at Note 11 to the Financial Statements.

Signed in accordance with a resolution of the Board.


.....
Board Member


.....
Board Member

Stuart Mossman
.....
Name of Signatory

MARK A. GREGORY
.....
Name of Signatory

Dated this 21st day of February 2018

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF MANAGEMENT OF FLINDERS CAMPUS COMMUNITY SERVICES INC**

In accordance with the requirements of subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the audit of Flinders Campus Community Services Inc for the year ended 31 December 2017 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* in relation to the audit.



Nexia Edwards Marshall
Chartered Accountants



Stephen Camilleri
Partner

Adelaide
South Australia

Dated: 21 February 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLINDERS CAMPUS COMMUNITY SERVICES INC**

Opinion

We have audited the financial report of Flinders Campus Community Services Inc (FCCS) which comprises the Statement of Financial Position as at 31 December 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, Notes to the Financial Statements, including a summary of significant accounting policies, and the Statement by the Board of Management.

In our opinion, the accompanying financial report of Flinders Campus Community Services Inc is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:

- (i) giving a true and fair view of FCCS's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Australian Charities and Not-for-profits Commission Regulations 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 FCCS in accordance with the independence 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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Management's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board of Management are responsible for the other information. The other information comprises the Report by Board of Management for the year ended 31 December 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLINDERS CAMPUS COMMUNITY SERVICES INC (CONT)*****Other Information (cont)***

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.

Board of Management's Responsibility for the Financial Report

The Board of Management of FCCS are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal control as the Board of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view so that it is free from material misstatement, whether due to fraud or error.

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

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 FCCS's internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLINDERS CAMPUS COMMUNITY SERVICES INC (CONT)**

Auditor's Responsibilities for the Audit of the Financial Report (cont)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FCCS'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 FCCS 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 Board of Management 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.



**Nexia Edwards Marshall
Chartered Accountants**



**Stephen Camilleri
Partner**

**Adelaide
South Australia**

Dated: *21 February 2018*