Early Childhood Intervention Australia Ltd

(ABN 94 083 927 317)

Financial Report
For the year ended 30 June 2018

Contents

Board of Directors Report

Directors

The following Directors were in office during financial year 1 July 2017 to 30 June 2018.

30 June 2017 to 2 May 2018

Trish Hanna [President]	
Neal Vickers [Vice President]	
Denise Luscombe [Treasurer]	
Linda Williams [Secretary]	
Rani Dibley	
Paula Buttigieg	
Erica Miles	
Katie Bartholomeaus	
Cathy Olson	
Debra Goldfinch	Resigned 24 August 2017
Anoo Bhopti	Resigned 24 August 2017
Gene Tunny	Appointed 30 November 2017

3 May 2018 to 30 June 2018

Trish Hanna [Chair]	
Neal Vickers	
Denise Luscombe	
Gene Tunny	
Linda Williams	
John Forster	Appointed 19 June 2018

Company Secretary

Kayleen Lenzo was appointed as the inaugural Company Secretary of Early Childhood Intervention Australia Ltd on 3 May 2018.

Principal activities

During the year, the principal activities of Early Childhood Intervention Australia Ltd (ECIA Ltd) were:

(a) to provide a national forum for communicating and sharing information, philosophies and practices relating to the provision of Early Childhood Intervention services;
(b) to raise awareness at a national level of the nature, role and importance of Early Childhood Intervention services;
(c) to raise awareness at a national level of the complementary roles played by generic and specialist early childhood services in meeting the needs of young children with developmental delays and/or disabilities and their families;
(d) to act as a national lobby to federal government, promoting the adoption of policies and guidelines with appropriate resourcing to support consistent recommended practice in Early Childhood Intervention;
(e) to provide representation on appropriate federal policy making and funding bodies relating to Early Childhood Intervention services; and
(f) to promote a national approach within Early Childhood Intervention to:

   i. training;
   ii. professional development;
   iii. standards and recommended practice;
   iv. research; and
   v. collaboration.

Significant changes in in the nature of these activities

During the financial year Early Childhood Intervention Australia began the process of transitioning from a federated model with independent Chapters in each state and territory, to a national single entity.

Early Childhood Intervention Australia Ltd (ECIA Ltd), a Company Limited by Guarantee, was established with similar objectives to ECIA Inc. As a result of the establishment of ECIA Ltd, in May 2018, all members of the transitioning state Chapters – NSW/ACT, SA, WA, NT and QLD - were invited by ECIA Ltd to join as members of the new national company.

Note - ECIA VIC/TAS withdrew from the national organisation on 24 August 2018, and as such remains an independent body with no relation to ECIA Ltd, the national company.

Auditors independence declaration

A copy of the Auditor's Independence Declaration is included in page 3 of this financial report and forms part of the Board of Directors report.

Signed in accordance with a resolution of the Directors.

Trish Hanna	Gene Tunny
Director / Chair	Director
13 February 2019	13 February 2019

Meoli&Co.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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EARLY CHILDHOOD INTERVENTION AUSTRALIA LTD

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTIONS 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
EARLY CHILDHOOD INTERVENTION AUSTRALIA LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit: and

- No contraventions of any applicable code of professional conduct in relation to the audit.

MEOLI & CO.

Chartered Accountants

Flavio Meoli – Partner BURWOOD Dated 13 February, 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue	3	886,429	415,480
Other income	3	-	-
Total revenue and other income		**886,429**	**415,480**
Employee benefits expense		423,397	89,245
Consultants costs		385,109	56,414
Depreciation expense		-	-
Conference and training costs		2,991	7,029
Research and project costs		17,767	-
Audit fees		4,150	-
Office rent		10,000	-
Travel costs		49,156	19,903
Other expenses		118,789	80,511
Total expenses		**1,011,359**	**253,102**
Surplus (Deficit) for the year		**(124,930)**	**162,378**
Other comprehensive income			
Other comprehensive income for the period		**-**	**-**
Total comprehensive income for the period		**(124,930)**	**162,378**

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2018

	Notes	2018 $	2017 $
Assets			
Current			
Cash and cash equivalents	4	587,154	408,488
Trade and other receivables	5	-	-
Inventory	6	-	-
Other assets	8	29,290	15,315
Total current assets		**616,444**	**423,803**
Non-current			
Trade and other receivables	5	-	-
Other financial assets	6	-	-
Property, plant and equipment	7	-	-
Intangible assets		-	-
Total non-current assets		**-**	**-**
Total assets		**616,444**	**423,803**
Liabilities			
Current			
Trade and other payables	9	496,713	183,122
Provisions	10	3,980	-
Borrowings		-	-
Total current liabilities		**500,693**	**183,122**
Non-current			
Trade and other payables	11		
Total non-current liabilities		**-**	**-**
Total liabilities		**500,693**	**183,122**
Net assets		**115,751**	**240,681**
Funds			
Contributed equity		-	-
Accumulated funds		115,751	240,681
Total funds		**115,751**	**240,681**

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Funds

For the year ended 30 June 2018

	Notes	Reserves $	Accumulated Funds $	Total Funds $
Balance at 1 July 2016		**-**	**78,303**	**78,303**
Surplus/(Deficit) for the year		-	162,377	162,377
Other comprehensive income		-	-	-
Balance at 30 June 2017		**-**	**240,681**	**240,681**
Balance at 1 July 2017		**-**	**240,681**	**240,681**
Surplus/(Deficit) for the year		-	(124,930)	(124,930)
Other comprehensive income		-	-	-
Balance at 30 June 2018		**-**	**115,751**	**115,751**

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 $	2017 $
Cash flow from operating activities			
Receipts from customers		1,254,718	
Payments to clients, suppliers and employees		(1,076,458)	
Interest received		406	
Net cash provided by / (used in) operating activities			
Cash flow from investing activities			
Purchase of property, plant and equipment		-	
Proceeds from disposals of property, plant and equipment		-	
Net cash provided by / (used in) investing activities		**-**	
Net change in cash and cash equivalents		178,666	
Cash and cash equivalents, beginning of year		408,488	
Cash and cash equivalents, end of year		**587,154**	

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 General information and statement of compliance

The financial report includes the financial statements and notes of Early Childhood Intervention Australia Ltd (ECIA).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporations Act 2009. ECIA Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Directors of the Board on 13 February 2019.

2 Summary of accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Associations Incorporations Act 2009, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

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

New and revised standards that are effective for these financial statements

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transaction and other events is reported.

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue

Revenue comprises revenue from the sale of goods, government grants, membership fees and professional development. Revenue from major products and services is shown in Note 3.

Revenue is measured by reference to the fair value of consideration received or receivable by ECIA Ltd for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of ECIA Ltd's different activities have been met. Details of the activity-specific recognition criteria are described below.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Notes to the Financial Statements

2 Summary of accounting policies (continued)

Revenue (continued)

Government grants

A number of ECIA Ltd's programs are supported by grants received from the federal and state governments.

If conditions are attached to a grant which must be satisfied before ECIA Ltd is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when ECIA Ltd obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Membership fees

Fees charged for membership are recognised over the period of the membership.

Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when ECIA Ltd gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Property, plant and equipment

Property, plant and equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by ECIA Ltd's management.

Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following useful lives are applied:

- plant and equipment: 1-10 years
- leasehold improvements: life of lease
- computer hardware: 1-7 years
- office equipment: 1-13 years

Notes to the Financial Statements

2 Summary of accounting policies (continued)

Property, plant and equipment (continued)

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Leases

Operating leases

Where ECIA Ltd is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to ECIA Ltd's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Notes to the Financial Statements

2 Summary of accounting policies (continued)

Classification and subsequent measurement of financial assets (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. ECIA Ltd's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

ECIA Ltd's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Inventories

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of ECIA Ltd's activities.

Goods for resale

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to ECIA Ltd where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

Goods held for distribution

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at costs. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

Income taxes

No provision for income tax has been raised as ECIA Ltd is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Notes to the Financial Statements

2 Summary of accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

ECIA Ltd's liabilities for employee benefits are included in other long-term benefits as they are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

ECIA Ltd presents employee benefit obligations as current liabilities in the statement of financial position if ECIA Ltd does not have an unconditional right to defer settlement for at least twelve months after the reporting period, irrespective of when the actual settlement is expected to take place.

Post-employment benefits plans

ECIA Ltd provides post-employment benefits through defined contribution plans.

Defined contribution plans

ECIA Ltd pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. ECIA Ltd has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that ECIA Ltd can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Notes to the Financial Statements

2 Summary of accounting policies (continued)

Provisions, contingent liabilities and contingent assets (continued)

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after the reporting date or the conditions will only be satisfied more than twelve months after the reporting date, the liability is discounted and presented as non-current.

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. 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Economic dependence

ECIA Ltd is dependent upon the ongoing receipt of Federal and State Government grants to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Notes to the Financial Statements

3 Revenue, other income and expenses

	2018 $	2017 $
Revenue		
Membership fees	543	5,580
Conference and training income	5,000	23,097
Government grants	817,674	346,895
Sale of merchandise	-	-
Other income	62,806	39,650
Investment income	406	258
	886,429	**415,480**
Other income		
Net gain on disposal of property, plant and equipment		

4 Cash and cash equivalents

	2018 $	2017 $
Cash on hand		
Cash at bank	587,154	408,488
Short term deposits		
Cash and cash equivalents	**587,154**	**408,488**

5 Trade and other receivables

	2018 $	2017 $
Trade receivables	-	-
Provision for impairment	-	-
Trade and other receivables	**-**	**-**

6 Inventory

	2018 $	2017 $
Stock on hand (at cost)	-	-
Inventory	**-**	**-**

Notes to the Financial Statements

7 Property, plant and equipment

	Leasehold improvements $	Office furniture $	Office equipment $	Total $
Gross carrying amount				
Balance 1 July 2017	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Balance 30 June 2018	**-**	**-**	**-**	**-**
Accumulated depreciation				
Balance 1 July 2017	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	-	-	-
Balance 30 June 2018	**-**	**-**	**-**	**-**
Carrying amount 30 June 2018	**-**	**-**	**-**	**-**

8 Other assets

	2018 $	2017 $
Current		
• Prepayments	29,282	15,000
• Accrued income	-	-
• Office bond	-	-
• Goods and services tax receivable	8	315
Other assets	**29,290**	**15,315**

9 Trade and other payables

	2018 $	2017 $
Current		
• Trade payables	86,189	22,431
• Other creditors and accruals	3,400	5,495
• Deferred income	57,124	155,196
• ECIA NSW/ACT Inc – Wind Up Chapter	350,000	-
Trade and other payables	**496,713**	**183,122**

10 Provisions

	2018 $	2017 $
Current:		
• Annual leave	3,980	-
	3,980	
Non-current:		
• Long service leave	**-**	**-**

Notes to the Financial Statements

11 Trade and other payables

	2018 $	2017 $
Non-current:		
• Deferred income	-	-
Total trade and other payables	-	-

12 Capital commitments

	2018 $	2017 $
Property, plant and equipment	-	-
Intangible assets	-	-

13 Leases

Operating leases as lessee

	Minimum lease payments due			
	Within 1 year $	1 to 5 years $	After 5 years $	Total $
30 June 2018	-	-	-	-
30 June 2017	-	-	-	-

Statement by Directors of the Board

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

In the opinion of the Board,:

1) The financial statements and notes of ECIA Ltd are in accordance with the Associations Incorporations Act, 2009, including:
    a) Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
    b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and
2) There is reasonable grounds to believe that ECIA will be able to pay its debts as and when they become due and payable.

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

Trish Hanna

Director / Chair

13 February 2019

Gene Tunny

Director

13 February 2019

Meoli&Co.

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AUSTRALIA • NEW ZEALAND

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

EARLY CHILDHOOD INTERVENTION AUSTRALIA LTD

Opinion

We have audited the financial report of Early Childhood Intervention Australia Ltd ("the Entity") which comprises the balance sheet as at 30 June 2018, income statement, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with management.

In our opinion, the financial report Early Childhood Intervention Australia Ltd 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 2018 and of their performance for the year ended on that date; and
b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 Entity in accordance with the auditor 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 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, provided to the directors of Early Childhood Intervention Australia Ltd for the year ended 30 June 2018, would be in the same terms if provided to the directors as at the date 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.

Responsibilities of Management and Those Charged with Management for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with management are responsible for overseeing the 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 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the 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 the 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 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 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.

We also provide the those charged with management 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.

F. Meoli

Meoli & Co
Chartered Accountants

Flavio Meoli
Partner

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Date 13 February, 2019