

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Financial Statements

For the Year Ended 30 June 2019

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Contents

For the Year Ended 30 June 2019

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	16
Declaration under the Charitable Fundraising Act 1991 (NSW) for the year ended 30 June 2018	17
Independent Audit Report	18

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Directors' Report

30 June 2019

The Directors of Eurobodalla Education and Therapy Services Ltd have pleasure in submitting the following report for the financial year ended 30 June 2019.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Current Directors

John Wakelin

Experience	Retired businessman/Property developer
Special responsibilities	Chairperson

Tracy Mayo

Experience	Retired 20 February 2019 Regional Manager, CareSouth
------------	---

Anne Minato

Experience	Retired 25 January 2019 Bookkeeper/Primary Teacher
------------	---

Andrew Elek

Experience	Policy researcher on international economic cooperation
Special responsibilities	Treasurer

Oscar Gentner

Experience	Retired businessman, disability support director
Special responsibilities	Deputy Chairperson

Bernie Basevi

Experience	Retired high school teacher and builder
------------	---

Tina Philip

Experience	Counsellor & Retired Psychiatric Nurse
Special responsibilities	Minute Secretary

Elizabeth Huppatz

Experience	Nursing Trainer
------------	-----------------

Directors' Report

30 June 2019

Directors

Company Secretary

Oscar Gentner

Director's Meetings

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Wakelin	8	7
Tracy Mayo	4	3
Anne Minato	4	4
Andrew Elek	8	7
Oscar Gentner	8	4
Bernie Basevi	8	8
Tina Philip	8	8
Elizabeth Huppatz	8	6

Principal activities

In 2018-19 Muddy Puddles continued its establishment as a provider of choice for children with a disability in the Eurobodalla.

Operating Results

During the year the company achieved a net surplus of \$244,865 (2018: \$1,134,418). This surplus appears significantly lower than the previous year due to the majority of the Capital Grant Funding for the building being recognised in the previous year as income. The construction was finalised in 2019 and this significant construction spend has also resulted in a large decline in cash on hand at the end of the year, however this is as expected and overall construction costs were ahead of budgeted expectations.

Auditor's independence declaration

The auditor's independence declaration in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* for the year ended 30 June 2019 has been received and can be found on page of the financial report.

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

Director: 

Director: 

Dated this Fifth day of November 2019

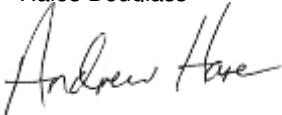
Eurobodalla Education and Therapy Services Ltd
ACN 601 862 042

Auditor's Independence Declaration under section 60-40 of the Australia Charities and Not-for-profits Commission Act 2012 to the Directors of Eurobodalla Education and Therapy Services Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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

Hales Douglass



Andrew Hare
Partner

Dated this 5th day of November 2019

Ulladulla NSW 2539

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Statement of Comprehensive Income**For the Year Ended 30 June 2019**

		2019	2018
	Note	\$	\$
Revenue	3	1,165,640	1,645,161
Other income	3	1,549	18,165
Cost of Goods Sold		(197,622)	(228,363)
Advertising		(3,642)	(3,706)
Accountancy fees		(1,500)	-
Auditors remuneration		(5,000)	(7,000)
Bank charges		(60)	(32)
Business IT Expenses		(7,824)	(3,970)
Consultants fees		(4,234)	(1,234)
Depreciation		(63,186)	(4,709)
Electricity		(1,018)	(3,220)
General expenses		-	(319)
Industry subscriptions		(604)	(1,392)
Insurance		(12,781)	(4,890)
Meeting costs		(1,729)	(1,137)
Merchant Fees		(494)	(486)
Office Expenses		(6,434)	(4,173)
Postage & freight		(231)	(447)
Repairs		(400)	(608)
Telephone		(4,845)	(1,358)
Travel		(698)	(522)
Salaries & Wages		(486,980)	(199,197)
Superannuation		(41,731)	(17,585)
Staff Reimbursement		(683)	(2,868)
Cleaning		(14,233)	(5,320)
Property repairs & maintenance		(3,862)	(236)
Training		(8,826)	(2,413)
Volunteer costs		(345)	(435)
Fundraising Expenses		(8,670)	(8,232)
Sundry Expenses		(16)	(382)
Staff Amenities		(1,472)	-
Security		(679)	-
Subscriptions and Registrations		(999)	-
Doubtful Debts		(9,596)	-
Travel - local		(15,033)	-
Motor Vehicle Expense		(2,981)	-
Client Subsidy		(13,916)	(24,674)
Surplus/(Deficit) before income tax		244,865	1,134,418
Income tax expense		-	-
Surplus/(Deficit) for the year		244,865	1,134,418
Other comprehensive income, net of income tax			
Other comprehensive income, net of income tax		-	-
Total comprehensive income/(loss) for the year		244,865	1,134,418

The accompanying notes form part of these financial statements.

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Statement of Financial Position**30 June 2019**

		2019	2018
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	341,568	832,016
Receivables	5	35,086	39,297
Prepayments	5	4,137	1,537
TOTAL CURRENT ASSETS		<u>380,791</u>	<u>872,850</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,507,234	998,764
TOTAL NON-CURRENT ASSETS		<u>1,507,234</u>	<u>998,764</u>
TOTAL ASSETS		<u>1,888,025</u>	<u>1,871,614</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	7	308,791	550,054
Current provisions	8	27,040	14,234
TOTAL CURRENT LIABILITIES		<u>335,831</u>	<u>564,288</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>335,831</u>	<u>564,288</u>
NET ASSETS		<u>1,552,194</u>	<u>1,307,326</u>
EQUITY			
Accumulated Surplus		<u>1,552,194</u>	<u>1,307,326</u>
TOTAL EQUITY		<u>1,552,194</u>	<u>1,307,326</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
Opening Balance	1,307,329	172,908
Total comprehensive income/(loss) for the period	244,865	1,134,418
Closing Balance	1,552,194	1,307,326

Equity Comprises

Accumulated surplus	1,552,194	1,307,326
---------------------	-----------	-----------

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Statement of Cash Flows**For the Year Ended 30 June 2019**

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Government Grants, Donations and Other Fundraising	1,056,442	843,381
Payments to suppliers	(976,782)	(419,343)
Interest received	1,549	18,165
Net cash provided by/(used in) operating activities	9 <u>81,209</u>	<u>442,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(571,657)	(937,189)
Net cash provided by/(used in) investing activities	<u>(571,657)</u>	<u>(937,189)</u>
Net increase/(decrease) in cash and cash equivalents held	(490,448)	(494,986)
Cash and cash equivalents at beginning of year	832,016	1,327,002
Cash and cash equivalents at end of year	4 <u>341,568</u>	<u>832,016</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Basis of Preparation

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*. The Directors have determined that the Company is not a reporting entity. The financial report is presented in Australian dollars which is both the presentation and functional currency of the Company.

The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the following accounting standards as required under the *Australian Charities and Not-for-Profits Commission Act 2012*:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1031 *Materiality*
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*

There were no new or amended standards adopted during the period which had any impact on the current period or any prior period and are not likely to affect future periods.

The presentation and classification of items in the financial report has been retained from one period to the next unless it is apparent, following a review of the financial report, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in AASB 108. Where a change in classification of a balance has been deemed appropriate the comparative balance has also been reclassified to ensure consistency in the financial report between periods.

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 specifically stated, current valuations of non-current assets.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

Government Grants are not recognised until there is reasonable assurance that all conditions have been complied with and that the grants will be received. Grants are recognised in the income statement over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants related to assets are presented in the balance sheet by recognising the grant as deferred income.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(a) Revenue

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

(b) Cash

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the relevant expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment losses.

Plant & Equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(e) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful life of the specific assets is as follows:

Plant and equipment: 3-10 yrs

Leasehold Improvements: 2-3 yrs

(f) Contingent Liabilities

A contingent liability is recorded as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and a reasonable estimate of the amount resulting from the loss can be made.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(g) Events after Balance Date

Assets and liabilities are adjusted for events occurring after balance date that provide evidence of conditions existing at the balance date.

(h) Significant Accounting Judgements, Estimates, and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements

3 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
- Contract hours	9,865	-
- Donations Received	99,753	22,679
- Fundraising Revenue	31,675	43,003
- Grants Received	342,825	1,208,809
- Membership fees	160	130
- Rent/hire charged	136	-
- Fee for Service	26,530	45,505
- HCWA	5,188	14,330
- Medicare	6,971	39,245
- NDIS Income	642,537	271,460
Total Revenue	1,165,640	1,645,161
- Interest Income	1,549	18,165
Finance income	1,549	18,165
Total other income	1,549	18,165
Total Revenue and Other Income	1,167,189	1,663,326

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Cash and Cash Equivalents

Cash in hand	853	700
Cash at bank	340,715	430,921
Term Deposit	-	400,395
Total Cash and Cash Equivalents	341,568	832,016

5 Receivables

	2019	2018
	\$	\$
CURRENT		
Trade & other debtors	30,321	21,351
GST receivable	4,765	17,946
Total Receivables	35,086	39,297

6 Property, Plant and Equipment

Buildings		
At cost	1,434,876	964,455
Accumulated depreciation	(26,928)	-
Total Buildings	1,407,948	964,455
PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At cost	73,369	14,063
Accumulated depreciation	(28,963)	(8,940)
Total Plant and Equipment	44,406	5,123
Furniture, fixtures and fittings		
At cost	\$ 47,697	\$ 5,767
Accumulated depreciation	\$ (13,312)	\$ (3,907)
Total furniture, fixtures and fittings	34,385	1,860
Motor Vehicles		
At cost	\$ 27,363	\$ 27,363
Accumulated depreciation	\$ (6,868)	\$ (37)
Total Motor Vehicles	20,495	27,326
Leasehold Improvements		
At cost	\$ -	\$ 25,415
Accumulated depreciation	\$ -	\$ (25,415)
Total Plant and Equipment	99,286	34,309
Total Property, Plant and Equipment	1,507,234	998,764

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Property, Plant and Equipment

(a) Movements in carrying amounts of Property, Plant and Equipment

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

	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2019						
Balance at beginning of year	964,455	-	5,123	1,860	27,326	998,764
Additions	-	470,421	59,305	41,930	-	571,656
Transfers	(964,455)	964,455	-	-	-	-
Depreciation & Amortisation	-	(26,928)	(20,022)	(9,405)	(6,831)	(63,186)
Balance at the end of the year	-	1,407,948	44,406	34,385	20,495	1,507,234
Year ended 30 June 2018						
	Capital Works in Progress	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
Balance at beginning of year	61,617	1,668	1,031	-	1,968	66,284
Additions	902,838	4,979	2,009	27,363	-	937,189
Depreciation & Amortisation	-	(1,524)	(1,180)	(37)	(1,968)	(4,709)
Balance at the end of the year	964,455	5,123	1,860	27,326	-	998,764

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Trade & Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade creditors	12,150	137,157
Grants in advance	259,955	392,314
PAYG Withholding	23,117	9,476
Superannuation	7,607	5,607
Accrued expense	5,500	5,500
Other payables	462	-
Total Payables	308,791	550,054

8 Provisions

	2019	2018
	\$	\$
CURRENT		
Annual leave	27,040	14,234
Movement in Provision for Annual Leave		
Opening balance	14,234	9,103
Leave Accrued	34,703	7,295
Leave Taken	(21,897)	(2,164)
Closing Balance	27,040	14,234

9 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit from continuing activities after income tax	244,865	1,134,418
Non-cash flows in profit:		
Depreciation expense	63,186	4,709
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in prepayments & receivables	2,111	(14,089)
- increase/(decrease) in payables	(241,759)	(687,966)
- increase/(decrease) in provisions	12,806	5,131
Cash flow from operations	81,209	442,203

(b) Reconciliation of cash

2019	2018
\$	\$

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Cash Flow Information

(b) Reconciliation of cash

	2019	2018
	\$	\$
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	341,568	832,016
Total cash and cash equivalents	341,568	832,016

10 Remuneration of Auditor

Amounts received or due and receivable by the auditor	5,000	2,000
---	-------	-------

11 Capital and Leasing Commitments

In the opinion of the Directors, the Company did not have any contingencies or commitments at 30 June 2019

12 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company.

13 Events Occurring After the Reporting Date

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

14 Corporate Information

The financial report of the Company for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 23 November 2019.
October

Eurobodalla Education and Therapy Services Limited is a Company limited by guarantee incorporated and domiciled in Australia.

The registered office of the Company is located at:

1a Melaleuca Cres

Catalina NSW 2536

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Information to be furnished under the Charitable Fundraising Act 1991 (NSW)

(a) Details of aggregate gross income and total expenses of fundraising appeals.

	2019	2018
	\$	\$
Gross Proceeds from fundraising appeals		
General Donations	151,428	65,681
Less total direct costs of fundraising appeals		
General Expenses	(8,670)	(8,232)
Net surplus from fundraising appeals	142,758	57,449

(b) During the year members of the governing body did not receive any remuneration.

Eurobodalla Education and Therapy Services Ltd

ACN 601 862 042

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* and:
 - (a) comply with Australian Accounting Standards as stated in Note 2; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company 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 Board of Directors.

Director 

Director 

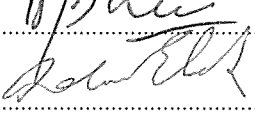
Dated this Fifth day of November 2019

Declaration under the Charitable Fundraising Act 1991 (NSW) for the year ended 30 June 2019

The Directors of the Company declare that the company is the holder of an authority under the *Charitable Fundraising Act 1991 (NSW)*. The Directors further declare that in their opinion:

1. the statement of comprehensive income gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
2. the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation;
3. the provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the organisation; and
4. the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Director 

Director 

Dated this Fifth day of November 2019

Eurobodalla Education and Therapy Services Ltd

Independent Audit Report to the members of Eurobodalla Education and Therapy Services Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Eurobodalla Education and Therapy Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, 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 *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Reporting under the *Charitable Fundraising Act 1991 (NSW)*

In our opinion:

- i) the financial report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2019;
- ii) the financial report has been properly drawn up, and the associated financial records have been properly kept for the period ended 30 June 2019, in accordance with the *Charitable Fundraising Act 1991 (NSW)* and Regulations;
- iii) money received as a result of fundraising appeal activities conducted during the period ended 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)* and Regulations; and

there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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 *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 directors' 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.

Responsibilities of 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 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- - Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- - Conclude on the appropriateness 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 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 governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hales Douglass

A handwritten signature in black ink that reads "Andrew Hare". The signature is written in a cursive, flowing style.

Andrew Hare
Partner

Ulladulla NSW

Dated this 5th day of November 2019