Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

Financial Statements

For the Year Ended 30 June 2018

Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

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For the Year Ended 30 June 2018

Australian Healthcare and Hospitals Association

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Australian Healthcare and Hospitals Association

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

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.

Vincents Audit Pty Ltd

Phillip W Miller CA
Director

Canberra, 1 November 2018

Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 $	2017 $
Revenue	4	**3,233,395**	3,036,301
Employee benefits expense		**(1,697,208)**	(1,613,430)
Depreciation and amortisation expense		**(45,368)**	(47,839)
Travel Expenses		**(205,983)**	(236,385)
Admin and Other Expenses		**(395,972)**	(367,662)
Consultants		**(550,212)**	(478,366)
Publications and Printing		**(121,217)**	(133,001)
Event Expenses		**(53,366)**	(83,794)
Profit before income tax		**164,069**	75,824
Income tax expense		**-**	-
Total comprehensive income for the year		**164,069**	75,824

The accompanying notes form part of these financial statements.

Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

Statement of Financial Position

30 June 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**1,172,431**	1,036,085
Trade and other receivables	7	**519,064**	785,513
Other assets	8	**1,038,963**	274,052
TOTAL CURRENT ASSETS		**2,730,458**	2,095,650
NON-CURRENT ASSETS			
Property, plant and equipment	9	**877,795**	877,269
Intangible assets	10	**32,006**	30,739
TOTAL NON-CURRENT ASSETS		**909,801**	908,008
TOTAL ASSETS		**3,640,259**	3,003,658
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**415,091**	472,867
Employee benefits	15	**108,135**	75,582
Other financial liabilities	13	**688,819**	-
Other liabilities	14	**889,939**	1,066,333
TOTAL CURRENT LIABILITIES		**2,101,984**	1,614,782
NON-CURRENT LIABILITIES			
Borrowings	12	**76,343**	91,013
TOTAL NON-CURRENT LIABILITIES		**76,343**	91,013
TOTAL LIABILITIES		**2,178,327**	1,705,795
NET ASSETS		**1,461,932**	1,297,863
EQUITY			
Reserves	16	**149,522**	149,522
Retained earnings		**1,312,410**	1,148,341
TOTAL EQUITY		**1,461,932**	1,297,863

The accompanying notes form part of these financial statements.

Australian Healthcare and Hospitals Association
A.B.N 49 008 528 470

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained Earnings	Asset Replacement Reserve	Branch Member Reserve	Asset Revaluation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2017	**1,148,341**	**80,000**	**30,000**	**39,522**	**1,297,863**
Profit for the current year	**164,069**	**-**	**-**	**-**	**164,069**
Balance at 30 June 2018	**1,312,410**	**80,000**	**30,000**	**39,522**	**1,461,932**

	Retained Earnings	Asset Replacement Reserve	Branch Member Reserve	Asset Revaluation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2016	1,090,317	80,000	30,000	39,522	1,239,839
Prior period adjustments	(17,800)	-	-	-	(17,800)
Profit for the current year	75,824	-	-	-	75,824
Balance at 30 June 2017	1,148,341	80,000	30,000	39,522	1,297,863

The accompanying notes form part of these financial statements.

Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,710,603**	2,788,836
Payments to suppliers and employees		**(3,518,887)**	(2,654,433)
Interest received		**11,404**	12,259
Finance costs		**(7,193)**	(13,969)
Net cash provided by/(used in) operating activities		**195,927**	132,693
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(44,911)**	(5,787)
Net cash used by investing activities		**(44,911)**	(5,787)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(14,670)**	(128,987)
Net cash used by financing activities		**(14,670)**	(128,987)
Net increase/(decrease) in cash and cash equivalents held		**136,346**	(2,081)
Cash and cash equivalents at beginning of year		**1,036,085**	1,038,166
Cash and cash equivalents at end of financial year	6	**1,172,431**	1,036,085

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Australian Healthcare and Hospitals Association as an individual entity. Australian Healthcare and Hospitals Association is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Australian Healthcare and Hospitals Association is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.*

2 Summary of Significant Accounting Policies

(a) Income Tax

The Australian Healthcare and Hospitals Association is a Health Promotion Charity under section 50-5 of the Income Tax Assessment Act 1997 and is exempt from income tax.

(b) Leases

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

The Company has made an allowance for 'make good' where required under property lease agreements (non-current provision).

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Rental revenue is recognised in the period in which it occurs.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year. Income received as membership and subscriptions for the subsequent financial year has been recognised as income in advance.

Sponsorships

Funding for special purpose projects via sponsorships is recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the funding. Funding for special purpose projects received prior to year end, but unexpended at that date, are recognised as income in advance.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2 Summary of Significant Accounting Policies

(e) 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 impairment.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Artwork

Artwork is measured using the revaluation method.

Land and buildings

Land and buildings are measured using the cost model method.

Plant and equipment

Plant and equipment are measured using the cost model method.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10% - 100%
Furniture, Fixtures and Fittings	10%
Computer Equipment	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

2 Summary of Significant Accounting Policies

(f) Intangibles

Software

Intangible assets are recorded at cost and are recognised when their initial cost is greater than $1,000.

Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight line basis over an estimated useful life of three years, commencing from the time the asset is held ready for use.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Impairment of non-financial assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

In the case of loans and receivables, a 'loss event' may indicate that a debtor(s) is experiencing financial difficulty and will default on payment. After having undertaken all economically viable possible measures of recovery, and it is established that the carrying amount cannot be recovered by any means, the amount will be written off. The amount will be charged to either a separate allowance account used to reduce the carrying amount of financial assets impaired by credit losses, or if no impairment account was previously recognised, directly against the carrying amount of the financial asset.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics

2 Summary of Significant Accounting Policies

(h) Financial instruments

of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

2 Summary of Significant Accounting Policies

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgements

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

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Notes to the Financial Statements

For the Year Ended 30 June 2018

4 Revenue and Other Income

	2018	2017
	$	$
- Sponsorship revenue	**204,854**	195,016
- Conference income	**149,398**	315,099
- Member subscriptions	**563,228**	604,674
- Pall Care income	**80,781**	-
- Training	**39,979**	518
- Royalties	**8,566**	135
- Rent and consultancy	**108,573**	57,231
- Publications	**105,903**	94,232
- Just Health Benefit Revenue	**542,350**	1,141,511
- Other Income	**1,429,763**	627,885
Total Revenue	**3,233,395**	3,036,301

5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2018	2017
Depreciation and Amortisation		
- Furniture and fittings	**14,435**	14,089
- Internet web design	**983**	959
- Computer equipment	**6,964**	11,590
- Plant and equipment	**2,390**	864
- Buildings	**20,596**	20,337
Total Depreciation and Amortisation	**45,368**	47,839
Expenses		
- Consultants	**550,212**	478,366
- Publications and printing	**121,217**	133,001
- Travel expenses	**205,983**	236,385
- Admin and other expenses	**395,972**	367,662
- Other expenses	**53,366**	1,590,833
	1,326,750	2,983,075

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

	2018	2017
	$	$
Cash at bank and in hand	**1,172,431**	1,036,085
	1,172,431	1,036,085

7 Trade and Other Receivables

	2018	2017
CURRENT		
Trade receivables	**91,096**	82,175
Other receivables	**427,968**	703,338
	519,064	785,513

8 Other Assets

	2018	2017
CURRENT		
Prepayments	**1,029,572**	264,661
Accreditation costs	**9,391**	9,391
	1,038,963	274,052

9 Property, plant and equipment

	2018	2017
Building		
At cost	**814,445**	813,832
Accumulated depreciation	**(102,911)**	(82,571)
	711,534	731,261
Plant and equipment		
At cost	**26,149**	12,692
Accumulated depreciation	**(11,783)**	(10,806)
	14,366	1,886
Furniture, fixtures and fittings		
At cost	**146,526**	140,901
Accumulated depreciation	**(63,657)**	(49,222)
Total furniture, fixtures and fittings	**82,869**	91,679
Computer equipment		
At cost	**146,289**	140,758
Accumulated depreciation	**(135,597)**	(128,633)
	10,692	12,125

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, plant and equipment

	2018	2017
	$	$
Computer software		
At fair value	**-**	-
At cost	**14,178**	-
Accumulated depreciation	**(1,413)**	-
Total computer software	**12,765**	-
Leasehold Improvements		
At cost	**5,147**	-
Accumulated amortisation	**(256)**	-
Total leasehold improvements	**4,891**	-
Artworks		
At fair value	**40,678**	40,318
	40,678	40,318
Total property, plant and equipment	**877,795**	877,269

Australian Healthcare and Hospitals Association

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Notes to the Financial Statements

For the Year Ended 30 June 2018

9 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:

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment	Computer Licenses	Leasehold Improvements	Art Works	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2018								
Balance at the beginning of year	**731,261**	**1,886**	**91,679**	**12,125**	**-**	**-**	**40,318**	**877,269**
Additions at cost	**612**	**13,458**	**5,625**	**5,531**	**14,178**	**5,147**	**360**	**44,911**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation Expense	**(20,340)**	**(977)**	**(14,435)**	**(6,964)**	**(1,413)**	**(256)**	**-**	**(44,385)**
Balance at the end of the year	**711,533**	**14,367**	**82,869**	**10,692**	**12,765**	**4,891**	**40,678**	**877,795**

Notes to the Financial Statements
For the Year Ended 30 June 2018

10 Intangible Assets

	2018	2017
	$	$
Web design		
Cost	**191,692**	189,442
Accumulated amortisation and impairment	**(159,686)**	(158,703)
Total Intangibles	**32,006**	30,739

11 Trade and Other Payables

	2018	2017
Current		
Trade payables	**309,150**	320,632
Accrued expenses	**53,830**	99,268
Accrued wages and superannuation	**52,111**	52,967
	415,091	472,867

12 Borrowings

	2018	2017
NON-CURRENT		
Secured liabilities:		
Bank loans	**76,343**	91,013
	76,343	91,013
Total non-current borrowings	**76,343**	91,013

(a) Bank and mortgage loans

The bank and mortgage loans are secured by a first registered mortgage over Unit 8, 2 Phipps Close, Deakin ACT 2600.

13 Other Financial Liabilities

	2018	2017
CURRENT		
Deferred income for Events - World Hospital Congress	**688,819**	-
	688,819	-

14 Other Liabilities

	2018 $	2017 $
CURRENT		
Membership subscriptions received in advance	**710,868**	750,082
Deferred income for events	**179,071**	316,251
	889,939	1,066,333

15 Employee Benefits

	2018 $	2017 $
Current liabilities		
Annual leave	**108,135**	75,582
	108,135	75,582

16 Reserves

	2018 $	2017 $
Asset Replacement Reserve		
Balance	**80,000**	80,000
Asset Revaluation Reserve		
Balance	**39,522**	39,522
Branch Member Development Reserve		
Balance	**30,000**	30,000
	149,522	149,522

(a) Asset Replacement Reserves

The asset replacement reserve is monies set aside for future capital expenses.

(b) Branch Member Reserve

The branch member reserve is for the development of membership in Queensland.

(c) Asset Revaluation Reserve

The reserve records the revaluations of non-current assets.

17 Members' Guarantee

The company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee. If the company is wound up, the Memorandum of Association States that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the company.

18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $ 779,894 (2017: $ 764,791).

19 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Artworks

20 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

21 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Board of Directors

The names of persons who comprised the Board of Directors during the year ended 30 June 2018 are:

- Paul Dugdale
- Nigel Fidgeon
- Adrian Pennington
- Walter Kmet
- Deborah Cole
- Michael Brydon
- Paul Burgess
- Gaylene Coulton
- Jill Davidson (Resigned on 6.06.2018)

No Director, or parties related to them, received any remuneration from the Company during the year other than for reimbursement of expenses incurred.

22 Subsequent Events

The financial report was authorised for issue on the date of signing by those charged with governance.

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.

23 Statutory Information

The registered office of the company is:

Australian Healthcare and Hospitals Association
Unit 8
2 Phipps Close
Deakin ACT 2600

Australian Healthcare and Hospitals Association

A.B.N 49 008 528 470

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Deborah Cole ....
Director

Walter Kmet ....
Director

Dated this ....31.... day of ....10.... 2018

VINCENTS
Audit Pty Ltd
ABN: 67 089 734 761
Authorised Audit Company No. 408893

Independent Audit Report to the members of

Australian Healthcare and Hospitals Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Healthcare and Hospitals Association (the registered entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Australian Healthcare and Hospitals Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with 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 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.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the registered 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 intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

canberra. adelaide. brisbane. gold coast. melbourne. sydney
Level 2. 14 Moore Street. Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
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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 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 registered 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 registered 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 registered 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.

Vincents Audit Pty Ltd
Phillip Miller
Director

Canberra, 1 November 2018