

Ngala Children's Services  
ABN 31 129 500 205  
Annual Special Purpose Financial Report 30 June 2018

Corporate Information	3
Director's Report	4
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Report	18

## **Corporate Information**

ABN 31 129 500 205

### **Directors**

Martin Black

David Izzard

Veronica Kretzer

Jen Ehlers

Dr Lucy Hopkins

Kimberly Stokes

Shelley Archer

Andrew Annand

Dr Vicki Banham

Prue Hawkins

### **Company Secretaries**

Fiona Beermier

Simon Green

### **Registered Office and Principal place of business**

9 George Street

Kensington WA 6151

### **Bankers**

Bankwest

Bankwest Place

300 Murray Street

Perth WA 6000

### **Auditors**

Grant Thornton Audit Pty Ltd

Level 43, 152-158 St Georges Terrace

Perth WA 6000

DIRECTORS' REPORT

Ngala Children's Services directors present the annual financial report on the company for the financial year ended 30 June 2018.

**Directors**

The names of each person who has been a director during the year and to the date of this report, unless otherwise stated, are:

Chairperson	Martin Black Director Corporate Communications
Deputy Chair	Jen Ehlers BA, Dip Ed, MBA Management Consultant – EY
Treasurer	David Izzard GIACD, CSA, MBA, CPA, B.Business CFO and Company Secretary, SMS Rental (WA) Pty Ltd
Other Directors	Dr Veronika Kretzer MBBS, DCH (WA), FRACP (Aust) Paediatrician Princess Margaret Hospital
	Peter Young – resigned 29 March 2018 LLB Lawyer
	Kiersten Gregg – resigned 28 June 2018 B.Economics, HR/IR Director – Blueprint HR Consulting
	Andrew Annand – appointed 30 November 2017 B. Business, FCA, GAICD Independent Financial Advisor
	Craig Heatley – resigned 3 November 2017 Partner - Assurance PricewaterhouseCoopers
	Dr Lucy Hopkins (leave of absence effective 29 March 2018) Lecturer, Children and Family Studies, Edith Cowan University
	Dr Vicki Banham (appointed 29 March 2018 as Alternate Director for Dr Lucy Hopkins) Associate Dean (Social Work, Social Science, Counselling, Youth Work), School of Arts and Humanities, Edith Cowan University
	Kimberly Stokes Small Business Advisor
	Shelley Archer Graduate Certificate in Indigenous Sector Management, ECU Aboriginal Development Consultant
	Prue Hawkins – appointed 26 July 2018 LLB Director, Empire Barristers & Solicitors

**Meetings of Directors**

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Eligible to attend	Attended
Martin Black	9	8
Jen Ehlers	9	8
Peter Young	7	6
David Izzard	9	7
Veronika Kretzer	9	6
Kiersten Gregg	9	5
Andrew Annand	5	4
Craig Heatley	5	4
Lucy Hopkins	5	4
Vicki Banham	3	2
Kimberly Stokes	9	6
Shelley Archer	9	6

**Contribution in winding up**

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 outstanding obligations of the entity. At June 30 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$80 (2017: \$80).

**Company Secretary**

Fiona Beermier was appointed Company Secretary effective 1 August 2017. Simon Green was appointed Company Secretary effective 30 November 2017.

**Principal Activities**

The principal activity of the Company during the financial year was the provision of child care services through three Early Learning Development Services in the Perth metropolitan area and the operation of the Bright Stars Family Day Care Service at various locations in the Midwest of Western Australia.

**Going Concern**

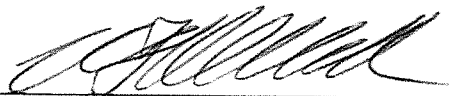
Notwithstanding the deficiency of net assets of \$100,339 (2017: \$702,683) the financial report has been prepared on a going concern basis as the directors are satisfied that the entity has the ability to pay its debts as they fall due. The directors have received a letter of support from the directors of Ngala Family Services confirming that, should it be required, continued financial support will be provided to enable the Company to pay its debts as and when they become due and payable.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under s.307 of the *Corporation Act 2001* is included on page 6 of this financial report and forms part of the Director's Report.

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

Director



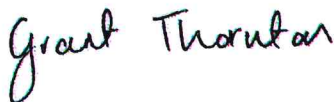
Martin Black (Chairperson)

Dated this 30th day of August 2018

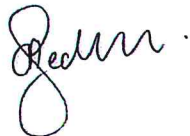
## Auditor's Independence Declaration

To the Directors of Ngala Children's Services

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profit Commission Act 2012, as lead auditor for the audit of Ngala Children's Services for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner – Audit & Assurance

Perth, 30 August 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$	\$
Fees		5,923,572	5,683,836
Government grants and other funding		164,830	258,474
Interest revenue		8,566	6,860
Gain on forgiveness of loan from Ngala Family Services		-	200,000
Gain on assumption of Bright Stars assets	4(a)	-	5,000
Fundraising and donations		978	3,674
Other income		32,821	17,311
<b>Total income</b>		<b>6,130,767</b>	<b>6,175,155</b>
Employee benefits expense		4,657,413	4,665,638
Travel expenses		27,157	35,516
Program supplies/consumables		211,510	195,457
Property, rent and utilities expense		393,474	343,088
Property charges from Ngala Family Services		60,000	90,445
Management charges from Ngala Community Services		-	292,087
General administrative expense		76,247	83,906
Information systems expense		25,637	24,534
Other expenses		20,389	18,460
Depreciation and amortisation expense		56,596	77,803
<b>Total expenses</b>		<b>5,528,423</b>	<b>5,826,934</b>
<b>Surplus for the year</b>		<b>602,344</b>	<b>348,221</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>602,344</b>	<b>348,221</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash at bank		297,495	496,203
Short term investments – term deposit		64,464	63,199
Trade and other receivables	3	137,406	125,675
Amount due from Ngala Family Services		153,268	-
Amount due from Ngala Community Services		12,083	-
Prepayments		13,302	18,492
<b>TOTAL CURRENT ASSETS</b>		<b>678,018</b>	<b>703,569</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	74,213	181,703
<b>TOTAL NON-CURRENT ASSETS</b>		<b>74,213</b>	<b>181,703</b>
<b>TOTAL ASSETS</b>		<b>752,231</b>	<b>885,272</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	747,198	635,071
Related party payable to Ngala Community Services		-	885,470
Provision for long service leave		29,712	51,441
<b>TOTAL CURRENT LIABILITIES</b>		<b>776,910</b>	<b>1,571,982</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave		75,660	15,973
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>75,660</b>	<b>15,973</b>
<b>TOTAL LIABILITIES</b>		<b>852,570</b>	<b>1,587,955</b>
<b>NET LIABILITIES</b>		<b>(100,339)</b>	<b>(702,683)</b>
<b>EQUITY</b>			
Accumulated losses		(100,339)	(702,683)
<b>TOTAL DEFICIENCY</b>		<b>(100,339)</b>	<b>(702,683)</b>

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 30 June 2016</b>	(1,050,904)	-	(1,050,904)
<b>Comprehensive income</b>			
Surplus for the year	348,221	-	348,221
<b>Balance at 30 June 2017</b>	(702,683)	-	(702,683)
<b>Comprehensive income</b>			
Surplus for the year	602,344	-	602,344
<b>Balance at 30 June 2018</b>	(100,339)	-	(100,339)

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		5,953,940	5,647,306
Receipt of grant and other funding		164,830	145,557
Payments to suppliers and employees		(6,323,382)	(5,440,160)
Interest received		8,594	6,439
<b>Net cash provided by operating activities</b>	<b>6</b>	<b>(196,018)</b>	<b>359,142</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Reinvestment of interest received on term deposits		(1,265)	(1,236)
Purchase of property, plant and equipment		(1,425)	(13,657)
Proceeds on sale of property, plant and equipment		-	-
<b>Net cash used in investing activities</b>		<b>(2,690)</b>	<b>(14,893)</b>
Net increase/(decrease) in cash held		(198,708)	344,249
Cash at beginning of financial year		496,203	151,954
<b>Cash at end of financial year</b>		<b>297,495</b>	<b>496,203</b>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ngala Children's Services (the "Company") is a company limited by guarantee, incorporated and domiciled in Australia.

**Reporting Basis and Conventions**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. 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 mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

In addition, these financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of the following:

- 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.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of these statements are presented below.

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

The financial statements were authorised for issue on 30 August 2018 by the directors of the Company.

**Going concern**

The Company has a negative working capital of \$98,892 and experienced net cash outflows from operating and investing activities of \$198,708 (2017: cash inflows of \$344,249). As at 30 June 2018, the Company had cash and cash and equivalents of \$297,495 (2017: \$496,203).

The financial report has been prepared on the going concern basis despite the Company's current liabilities exceeding its current assets. The Directors have received a letter of support from the Directors of its related entity, Ngala Family Services, that if the Company is not able to pay its liabilities as and when they become due and payable, sufficient funding will be provided to enable it to continue as a going concern.

In addition, if the Company is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

**Accounting Policies**

**a. Income Tax**

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**b. Plant and equipment**

Plant and equipment are measured on the cost basis less any accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	13.5% –33.5%
Leasehold Improvement	10% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

c. **Leases**

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

d. **Impairment of Assets**

At the end of each reporting period, 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. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. **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 settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the net present value. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

f. **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**h. Revenue and Other Income**

Ngala Children's Services receives revenue in the form of child care fees from both parents of children and the Commonwealth Government under the child care rebate scheme. Revenue from these child care services is recognised upon the delivery of the service to the clients.

Donations and bequests are recognised as revenue when received.

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

**i. 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 ATO. 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 are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**j. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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. Actual results may be substantially different.

**Key estimates**

**(i) Impairment**

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers.

**(ii) Useful lives of depreciable asset**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

**(iii) Long service leave**

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**k. Adoption of new and revised standards**

In the year ended 30 June 2018, the directors have reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no change is necessary to Company accounting policies.

The directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 16, *Leases*. However, based on the entity's preliminary assessment, the Standard is expected to have an impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>NOTE 2: EXPENSES</b>		
Remuneration of auditor is made by Ngala Community Services		
<b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	140,308	84,559
Less: provision for doubtful debt	(11,557)	(11,557)
	<u>128,751</u>	<u>73,002</u>
Interest receivable	393	421
GST receivable	8,262	52,252
	<u><u>137,406</u></u>	<u><u>125,675</u></u>

<b>NOTE 4: PROPERTY, PLANT AND EQUIPMENT</b>		
Improvements, equipment and furniture at cost	327,343	408,632
Less accumulated depreciation	(253,130)	(226,929)
Total property, plant and equipment	<u><u>74,213</u></u>	<u><u>181,703</u></u>
Balance at the beginning of the year	181,703	240,848
Additions at cost	1,424	13,657
Fair value of assets assumed with Bright Stars operation	-	5,000
Assets transferred to Ngala Family Services	(52,318)	-
Depreciation expense	(56,596)	(77,802)
Carrying amount at end of year	<u><u>74,213</u></u>	<u><u>181,703</u></u>

a) On 1 July 2016, the Company assumed the activities and assets of Bright Stars Family Day Care Services in various locations in the Mid West of Western Australia from the City of Greater Geraldton for the nominal consideration of \$1. Fair value of \$5,000 was ascribed to a motor vehicle transferred to the Company as part of the transaction. No other fair values were ascribed and the associated gain of \$5,000 is included in Profit and Loss.

<b>NOTE 5: TRADE AND OTHER PAYABLES</b>		
Employee benefits	682,238	598,432
Fees received in advance	64,960	36,639
	<u><u>747,198</u></u>	<u><u>635,071</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: CASH FLOW INFORMATION

	2018	2017
	\$	\$
<b>Reconciliation of cash flow from operations with surplus for the year</b>		
Surplus for the year	602,344	348,221
Non-cash flows in result:		
– Depreciation	56,596	77,803
– Gain on forgiveness of loan	-	(200,000)
– Gain on assumption of Bright Stars assets	-	(5,000)
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
– (Increase) in receivables	(3,431)	(57,936)
– (Increase) in other assets	(116,143)	(3,724)
– (Decrease) / Increase in payables	(773,342)	191,909
– Increase in provisions	37,958	7,869
Net cash from operations	<u>(196,018)</u>	<u>359,142</u>
 Non-cash investing activity		
– Assumption of Bright Stars assets	4(a)	-
		(5,000)

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Ngala Children's Services  
9 George St  
Kensington WA 6151

The principal places of business are:

Ngala Children's Services  
9 George St  
Kensington WA 6151  
Ngala Children's Services  
7 George Wiencke Drive  
Perth Airport WA 6104  
Ngala Children's Services  
271 Lakeside Drive  
Joondalup WA 6027  
Ngala Bright Stars Family Day Care Service  
Lot 2750 Ramshaw Place  
Geraldton WA 6530

NOTE: 8 CONTINGENCIES and COMMITMENTS

The Company leases various buildings for the delivery of its services under operating leases. Future rental obligations payable within one year amount to \$210,000 and within two to five years \$155,000.



DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 16 in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards; and
  - b. give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to 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



Martin Black (Chairperson)

Dated this

30th

day of

August

2018

# Independent Auditor's Report

## To the Members of Ngala Children's Services

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Ngala Children's Services (the Company), 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 Directors' declaration.

In our opinion, the accompanying financial report of the Ngala Children's Services:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- b complies with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 to the extent described in Note 1.

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

**Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the needs of the Members. This responsibility also includes such internal control as the Directors determine are 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

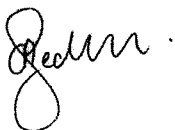
**Auditor's responsibilities for the audit of the financial report**

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner – Audit & Assurance

Perth, 30 August 2018

