

Big Brothers Big Sisters Australia Limited

ACN 071 682 294

**Annual financial report
for the year ended 30 June 2018**

Big Brothers Big Sisters Australia Limited ACN 071 682 294
Annual financial report - 30 June 2018

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Big Brothers Big Sisters Australia Limited
Directors' report
30 June 2018

Your directors present their report on Big Brothers Big Sisters Australia Limited (the "Company") for the year ended 30 June 2018.

Directors

The following persons were directors of Big Brothers Big Sisters Australia Limited during the whole of the financial year and up to the date of this report:

Mr Tim Cox (Chair)
 Mr Geoffrey Lynch (Deputy Chair)
 Mr David McEvoy
 Ms Anika McManus
 Ms Maria O'Connor (Resigned in 19 February 2018)
 Mr Glenn Willis
 Mr John Cracknell
 Ms Vicki Young
 Ms Cynthia Batchelor
 Ms Helen Scotts (Appointed 26 May 2018)
 Ms Kaye Ceille (Appointed 18 September 2017 and Resigned 19 February 2018)

Meetings of directors

	Eligible to attend	Attended
Mr Tim Cox (Chair)	13	13
Mr Geoffrey Lynch (Deputy Chair)	13	11
Mr David McEvoy	13	10
Ms Anika McManus	13	9
Ms Maria O'Connor (Resigned in February 2018)	7	7
Mr Glenn Willis	13	8
Mr John Cracknell	13	10
Ms Vicki Young	13	10
Ms Cynthia Batchelor	13	8
Ms Helen Scotts	6	6
Ms Kaye Ceille	2	1

Short and long term objectives of the organisation

Big Brothers Big Sisters Australia Limited has been working towards delivering on a long term strategic objective to strengthen organisational capability to grow mentoring in Australia to meet demand with the ultimate aim of mentoring more vulnerable young people.

Principal activities

The principal activities of the Company during the financial year were as a community services organisation.

Our organisational activities:

- Screening and training of mentors and supervision of matches in order to achieve long term positive outcomes for young people.
- Development and documentation of standards processes and policies to ensure mentoring programs are best practice and are delivered safely and consistently.
- Oversight of all Big Brothers Big Sisters programs in Australia to ensure processes are being followed and best practice shared.

During the year, the Company continued to act as a trustee of the Big Brothers Big Sisters Australia Foundation. The net assets and liabilities of the Foundation have not been disclosed in this report. The Big Brothers Big Sisters Australia Foundation held gross assets of \$105 and no liabilities at 30 June 2018 and 2017.

Review of operations

The profit from ordinary activities after income tax amounted to \$230,167 (2017 loss: \$101,215).

Company Limited by Guarantee

Big Brothers Big Sisters Australia Limited is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payments of all debts and liabilities contracted before the time they cease to be a member, and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such an amount as may be required, not exceeding \$100.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* is set out on page 5.

This report is made in accordance with a resolution of directors.



Mr Tim Cox
Director

Melbourne
29 May 2019

DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF BIG BROTHERS BIG SISTERS AUSTRALIA LTD

As lead auditor of Big Brothers Big Sisters Australia Ltd 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.



Richard Dean
Partner

BDO East Coast Partnership

Melbourne, 29 May 2019

Big Brothers Big Sisters Australia Limited
Statement of profit or loss & other comprehensive income
For the year ended 30 June 2018

	Notes	2018	2017
		\$	\$
Revenue from continuing operations	3	1,607,545	1,425,560
Employee benefits expense		(994,586)	(1,161,398)
Depreciation and amortisation expense		(2,113)	(20,865)
Impairment of intangibles		-	(55,897)
Administration expenses		(380,679)	(288,615)
Profit (loss) before Income tax		<u>230,167</u>	<u>(101,215)</u>
Income tax expense		-	-
Profit (loss) for the year		<u>230,167</u>	<u>(101,215)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive profit (loss) for the year		<u>230,167</u>	<u>(101,215)</u>
Profit is attributable to:			
Members of Big Brothers Big Sisters Australia Limited		<u>230,167</u>	<u>(101,215)</u>
Total comprehensive profit for the year is attributable to:			
Members of Big Brothers Big Sisters Australia Limited		<u>230,167</u>	<u>(101,215)</u>

The above statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

Big Brothers Big Sisters Australia Limited
Statement of financial position

As at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	268,930	97,039
Trade and other receivables	5	53,161	51,705
Total Current Assets		322,091	148,744
Non-current assets			
Property, plant and equipment	6	921	1,401
Intangible assets	7	8,616	-
Total non-current assets		9,537	1,401
Total assets		331,628	150,145
LIABILITIES			
Current liabilities			
Trade and other payables	8	249,837	319,681
Provisions	9	37,528	21,751
Total current liabilities		287,365	341,432
Non-current liabilities			
Provisions	10	12,674	7,291
Total non-current liabilities		12,674	7,291
Total liabilities		300,039	348,723
Net Assets / (liabilities)		31,589	(198,578)
EQUITY			
Retained earnings / (Accumulated losses)		31,589	(198,578)
Total Equity		31,589	(198,578)

The above statement of financial position should be read in conjunction with the accompanying notes.

Big Brothers Big Sisters Australia Limited
Statement of changes in equity
For the year ended 30 June 2018

	Retained earnings / (Accumulated losses)	Total equity
	\$	\$
Balance at 1 July 2016	(97,363)	(97,363)
Loss for the year	(101,215)	(101,215)
Other comprehensive income	-	-
Total comprehensive (loss) for the year	(101,215)	(101,215)
Balance at 30 June 2017	(198,578)	(198,578)
Balance at 1 July 2017	(198,578)	(198,578)
Profit for the year	230,167	230,167
Other comprehensive income	-	-
Total comprehensive Profit for the year	230,167	230,167
Balance at 30 June 2018	31,589	31,589

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Big Brothers Big Sisters Australia Limited
Statement of cash flows
For the year ended 30 June 2018

	2018	2017
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,589,007	1,353,784
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(1,407,376)</u>	<u>(1,394,792)</u>
	181,631	(41,008)
Interest received	508	183
Net cash flow from operating activities	14 182,139	(40,825)
 Cash flows from investing activities		
Payments for intangible assets	<u>(10,248)</u>	-
Net Cash (outflow) from investing activities	<u>(10,248)</u>	-
 Net increase / (decrease) in cash and cash equivalents	171,891	(40,825)
Cash and cash equivalents at the beginning of the financial year	<u>97,039</u>	<u>137,864</u>
Cash and cash equivalents at the end of the financial year	4 268,930	97,039

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

(a) Reporting entity

Big Brothers Big Sisters Australia Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 1.39, 425 Smith Street, Fitzroy VIC 3065. The Company is a not-for-profit company limited by guarantee working to realise the potential of young people through the provision of the highest quality mentoring programs.

Big Brothers Big Sisters Australia Limited is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payments of all debts and liabilities contracted before the time they cease to be a member, and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such an amount as may be required, not exceeding \$100.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Company established the Big Brothers Big Sisters Australia Foundation trust on 4 July 2002 and the Company acts as a trustee of the trust.

No liabilities have been incurred on behalf of the trust in the Company's capacity as a corporate trustee during the financial year ended 30 June 2018.

(b) Basis of preparation

(i) Special purpose financial report

The special purpose financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") which have a material effect.

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

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 and Application of Standards

AASB 1054 Australian Additional Disclosures

The financial statements were approved by the Board of Directors on 29 May 2019.

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

1. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

(iii) New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2018.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (The functional currency'). The financial statements are presented in Australian dollars (\$), which is Big Brothers Big Sisters Australia Limited's functional and presentation currency.

(d) Revenue recognition

Sponsorship revenue is recognised upon confirmation of the sponsorship and any conditions are complied with.

Unconditional donations are recognised when the Company is presently entitled to receive them.

Interest revenue is recognised as it accrues using the effective interest method.

(e) Income tax

The Company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax.

(f) Impairment of assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

1. Summary of significant accounting policies (continued)

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Furniture, fittings and equipment 17.25%

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 (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(j) Intangible assets - Software

Computer software includes the cost of software license purchased and other additional software development costs. Software is recorded at cost and amortised on a straight line basis over its useful life. The estimate useful life for software is 2 to 3 years.

1. Summary of significant accounting policies (continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part 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 taxation authority 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 taxation authority, are presented as operating cash flows.

1. Summary of significant accounting policies (continued)

(n) Going concern

The directors have formed the view that the company can continue as a going concern dependent on:

- the company's future receivables of pledged donations; and
- the continued support of the company's current benefactors.

The company's cash flow forecast support the ability of the company to pay its debts as and when they fall due. The directors are currently considering the structure of the programs moving forward, including opportunities to obtain government grants to fund the programs or outsource the programs. If the company is unsuccessful in obtaining funding it may look to license the programs and wind-down the company.

2. Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Big Brothers Big Sisters Australia Limited
Notes to the financial statements
30 June 2018
(continued)

3 Revenue

The Company derives the following types of revenue:	2018	2017
	\$	\$
From continuing operations		
Corporate sponsorship	321,266	444,763
Donations	1,222,086	886,645
Interest received	508	183
Government funding	63,685	93,969
Total revenue from continuing operations	1,607,545	1,425,560

4 Current assets - Cash and cash equivalents

	2018	2017
	\$	\$
Cash on hand	300	250
Bank balances	268,630	96,789
	268,930	97,039

5 Current assets - Trade and other receivables

	2018	2017
	\$	\$
Trade receivables	21,419	36,839
Security deposit	5,000	4,900
Prepayments	26,617	8,981
Undeposited funds	125	985
	53,161	51,705

Big Brothers Big Sisters Australia Limited
Notes to the financial statements
30 June 2018
(continued)

6 Non-current assets - Property, plant and equipment

	Furniture, fittings and equipment	Total
	\$	\$
At 1 July 2017		
Cost	17,195	17,195
Accumulated depreciation	(15,794)	(15,794)
Net book amount	1,401	1,401
Year ended 30 June 2018		
Opening net book amount	1,401	1,401
Depreciation charge	(480)	(480)
Closing net book amount	921	921
At 30 June 2018		
Cost	17,195	17,195
Accumulated depreciation	(16,274)	(16,274)
Net book amount	921	921

7 Non-current assets - Intangible assets

	Software	Total
	\$	\$
At 1 July 2017		
Cost	55,210	55,210
Accumulated amortisation	(55,210)	(55,210)
Net book amount	-	-
Year ended 30 June 2018		
Opening net book amount	-	-
Additions	10,248	10,248
Amortisation	(1,632)	(1,632)
Closing net book amount	8,616	8,616
At 30 June 2018		
Cost	10,248	10,248
Accumulated amortisation	(1,632)	(1,632)
Net book amount	8,616	8,616

Big Brothers Big Sisters Australia Limited
Notes to the financial statements
30 June 2018

8 Current liabilities - Trade and other payables	2018	2017
	\$	\$
Trade payables	28,927	37,250
Grants received in advance	191,589	227,949
GST payable	3,332	5,146
PAYG payable	15,511	16,926
Other payables	10,478	32,410
	<u>249,837</u>	<u>319,681</u>

9 Current liabilities - Provisions	2018	2017
	\$	\$
Employee benefits - long service leave	9,147	-
Employee benefits - annual leave	28,381	21,751
	<u>37,528</u>	<u>21,751</u>

10 Non-current liabilities - Provisions	2018	2017
	\$	\$
Employee benefits - long service leave	<u>12,674</u>	<u>7,291</u>

Big Brothers Big Sisters Australia Limited
Notes to the financial statements
30 June 2018
(continued)

11 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity, its related practices and non-related audit firms:

BDO Australia

Audit and other assurance services

	2018	2017
	\$	\$
Audit and review of financial statements	<u>4,000</u>	-
Total remuneration for audit and other assurance services	<u>4,000</u>	-
 Total remuneration of BDO Australia	 <u>4,000</u>	 -

12 Commitments and contingencies

	2018	2017
	\$	\$
Payable - minimum lease payments		
- No later than 12 months **	<u>66,660</u>	-
	<u>66,660</u>	-

** relates to Melbourne office \$6,060 x 11

13 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

14 Cash flow information

Reconciliation of profit (loss) after income tax to net cash inflow (outflow) from operating activities

	2018	2017
	\$	\$
Profit (loss) for the year	230,167	(101,215)
Adjustment for		
Depreciation and amortisation	2,113	742
Impairment of intangibles	-	55,897
Change in operating assets and liabilities		
(Increase) decrease in trade and other receivables	(1,456)	(22,379)
Increase (decrease) in trade and other payables	(69,844)	47,728
(Decrease) increase in employee benefit provisions	21,160	(21,598)
Net cash inflow (outflow) from operating activities	<u>182,140</u>	<u>(40,825)</u>

Big Brothers Big Sisters Australia Limited
Directors' declaration
30 June 2018
(continued)

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports

The directors of the company declare that in the directors' opinion:

1. The financial statements and notes, as set out on pages 2 to 19, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position of the registered entity as at 30 June 2018 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Mr Tim Cox
Director

Melbourne
29 May 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Big Brothers Big Sisters Australia Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Big Brothers Big Sisters Australia Limited (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, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2018, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualification Opinion* section of our report, the accompanying financial report of Big Brothers Big Sisters Australia Limited is 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 30 June 2018; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for qualified opinion

Donations and other fundraising activities are a significant component of revenue for Big Brothers Big Sisters Australia Limited and is derived from a range of sources including cash. Big Brothers Big Sisters Australia Limited has determined that it is impractical to establish control over the collection of cash prior to its receipt by its office and subsequent entry into its financial records, which is common for charitable organisations and consistent with prior years.

Accordingly, as the evidence available to us regarding revenue from cash sources was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash donations from donations and other fundraising activities obtained by Big Brothers Big Sisters Australia Limited are complete.

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 qualified 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 Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in Directors' Report, 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 on the other information obtained prior to the date of this auditor's report, 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 registered entity 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 ACNC Act and the needs of the members or other appropriate terms. The directors' responsibility also includes such internal control as the responsible entities determine is 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 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 the directors' either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership

Richard Dean
Partner

Melbourne, 29 May 2019