InLife
Independent Living
ABN 92 606 740 836

ANNUAL FINANCIAL REPORT

30 JUNE 2019

DIRECTORS' REPORT

The Directors present their report together with the financial report of InLife Independent Living Limited ("the Company") for the financial year ended 30 June 2019, and the auditor's report thereon.

DIRECTORS

The following persons were directors of the Company during the financial year:

Name		Appointed	Ceased
Mr David Clarke	CEO	29 June 2015	–
Ms Gabrielle Bell	Director and Company Secretary	29 June 2015	–
Ms Wendy Brooks	Chairman	29 June 2015	–
Mr Anthony Vlavianos	Director	9 February 2017	–

WHAT WE DO

The Company was founded on 29 June 2015 as a not-for-profit public company limited by guarantee. Our mission is to provide high quality, reliable and hassle free personal care and support services to people with disability, and to help connect them to services, opportunities and communities that enhance their lives.

A REVIEW OF OUR OPERATIONS FOR FY19

Key activities

Key activities in this financial year included:

- Defined a 10-year vision and 3 year strategy plan to work towards becoming a trusted, innovative and influential national provider;
- Expanded our core management team from 4 to 14 employees, primarily within service delivery management and coordination roles;
- Invested in a culture of continuous quality improvement to maintain and enhance service delivery standards as the organisation expands;
- Continued to grow the number of clients we support and support worker team members we employ, with year-on-year revenue increasing by 81%.

Financial position and operating results for the year

For the year ending 30 June 2019, the Company recognised revenue of $5,166,289 (2018: $2,857,614) and a profit of $212,716 (2018: loss of $50,714). Its financial position at 30 June 2019 is net assets of $272,432 (2018: $59,716).

Significant changes to the state of affairs

No significant changes to its state of affairs occurred in the year to 30 June 2019.

Events subsequent to reporting date

On 1 October 2019 the Company paid the outstanding additional remuneration owed to the CEO relating to historical periods totaling $62,154.

No other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the Company, in future financial years, has arisen.

Likely developments

The Company will continue to focus on growing our client base for personal care and support services while maintaining industry quality standards.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of Board committees) held during the year ended 30 June 2019 and the number of meetings attended by each director.

Directors	Board	
	A[1]	B[2]
Mr Anthony Vlavianos	8	8
Mr David Clarke	8	8
Ms Gabrielle Bell	8	8
Ms Wendy Brooks	8	8

[1] A = number of meetings eligible to attend

[2] B= number of meetings attended

COMPANY PARTICULARS

Registered office

InLife Independent Living

Level 5, 267 Collins Street

Melbourne, VIC 3000

Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the liability of each member (during the time or within one year afterwards) is limited to $10.00.

Proceeding on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnification

The Company has agreed to indemnify the directors of the Company against all liabilities to another person that may arise from their position in their Company to the extent permitted by the law.

Insurance premiums

During the financial year, the Company paid premiums to insure directors and officers of the Company against certain liabilities. The contract prohibits disclosure of the nature of the liabilities and the amount of premium paid.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under subdivision 60-C section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 6.

This report is made in accordance with a resolution of the directors:

Ms Wendy Brooks
Chairman
Melbourne

Mr David Clarke
Director

Date: 17th October 2019

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Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
InLife Independent Living Ltd
Level 5, 267 Collins Street
Melbourne VIC 3000

17 October 2019

Dear Board Members

InLife Independent Living Limited

In accordance with subdivision 60-C section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of InLife Independent Living Limited.

As lead audit partner for the audit of the financial statements of InLife Independent Living Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Deloitte Touche Tohmatsu

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue	A1	5,166,289	2,857,614
Direct client support		(3,510,016)	(2,132,258)
Coordination of supports		(746,708)	(262,514)
Marketing and promotion		(90,422)	(60,760)
Administration expenses		(601,143)	(452,572)
Depreciation		(5,175)	-
Total operating expenses	A2	(4,953,464)	(2,908,104)
Results from operational activities		212,825	(50,490)
Finance expenses		(109)	(224)
Surplus/(deficit) before income tax		212,716	(50,714)
Income tax expense		-	-
Surplus/(deficit) for the year		212,716	(50,714)
Other comprehensive income, net of tax		-	-
Total comprehensive income/(loss) for the year		212,716	(50,714)

The Statement of Surplus or Deficit and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Ref.	2019 $	2018 $
Current assets			
Cash and cash equivalents	B1(ii)	310,880	223,321
Trade and other receivables	B1(ii)	532,964	265,630
Total current assets		843,844	488,951
Non-current assets			
Plant & Equipment	B1(iv)	43,590	13,922
Total non-current assets		43,590	13,922
Total assets		887,434	502,873
Current liabilities			
Trade and other payables	B1(iii)	398,265	255,574
Provisions	B1(iii)	126,953	87,467
Total current liabilities		525,218	343,041
Non - current liabilities			
Provisions	B1(v)	89,784	100,116
Total Non - current liabilities		89,784	100,116
Total liabilities		615,002	443,157
Net assets		272,432	59,716
Equity			
Retained surplus		272,432	59,716
Total equity		272,432	59,716

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Retained surplus	Total
	$	$
Balance as at 1 July 2017	110,430	110,430
Deficit for the year	(50,714)	(50,714)
Total comprehensive income	(50,714)	(50,714)
Balance as at 30 June 2018	59,716	59,716
Surplus for the year	212,716	212,716
Total comprehensive income	212,716	212,716
Balance as at 30 June 2019	272,432	272,432

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
Cash flows from operating activities		
Receipts from customers	4,952,826	2,760,730
Payments to suppliers and employees	(4,826,841)	(2,672,928)
Interest paid	(109)	(224)
Net cash provided by/ (used in) operating activities	125,876	87,578
Cash flows from investing activities		
Acquisition of Property, plant and equipment	(38,317)	(13,922)
Net cash provided by/ (used in) investing activities	(38,317)	(13,922)
Cash flows from financing activities		
Repayment of loan	-	(29,750)
Net cash provided by/ (used in) financing activities	-	(29,750)
Net increase in cash and cash equivalents	87,559	43,906
Cash and cash equivalents at the beginning of the financial year	223,321	179,415
Cash and cash equivalents at the end of the financial year	310,880	223,321

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

A. WHERE OUR FUNDS COME FROM AND HOW THEY ARE SPENT

This section explains the main sources of our revenue and expenditure and how those are measured in accordance with relevant accounting standards

A1. OUR SOURCES OF REVENUE

Our primary source of revenue is clients with a disability who receive funding for disability supports from government agencies, including NDIS, DHHS and TAC.

	2019 $	2018 $
Revenue		
Personal care and support services	5,016,543	2,746,069
Interest income	462	541
Grants and donations revenue	97,031	87,326
Financial plan management	22,890	12,672
Other revenue	29,363	11,006
Total revenue	**5,166,289**	**2,857,614**

What are the relevant accounting policies?

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

A contribution occurs when the company receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party to transfer; that is when there is a non-reciprocal transfer. Contributions would include donations and grants. Contributions that are income exclude contributions by owners. Income for contributions is recognised when all the following conditions are satisfied;

- the company obtains control of the contribution or right to receive the contribution;
- it is possible the economic benefits comprising the contribution will flow to the company; and
- the amount of contribution can be measured reliably.

Income arising from contributions is measured at the fair value of the contributions received or receivable.

A2. WHERE THE FUNDING HAS BEEN SPENT

InLife's mission is to provide high quality personal care and support to people with disability, and to help connect them to services, opportunities and communities that enhance their lives. We have incurred the following expenses relating to these activities over the course of this financial year.

	2019 $	2018 $
A2. Operating expenses		
Employee expenses	4,409,580	2,547,835
Insurance	88,344	52,645
Rent	77,930	34,518
Professional services fees	134,081	203,038
General administrative expenses	238,354	70,068
Depreciation	5,175	-
Total operating expenses	**4,953,464**	**2,908,104**

B. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?

This section explains the risk that the Company is exposed to, the policies adopted to reduce those risks and also provides the users with information on how we manage our working capital.

B1. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- Safeguard our ability to continue as a going concern to continue to provide services to people with disability; and
- Maintain an optimal capital structure to support efficient and effective operations.

(i). Working Capital

	2019	2018
	$	$
Current assets	843,844	488,951
Current liabilities	(525,216)	(343,041)
Net current assets	318,628	145,910

(ii). Current Assets

	2019	2018
Cash and cash equivalents		
Cash management accounts	39,473	39,040
Cash at bank	271,407	184,281
Total cash and cash equivalents	310,880	223,321
Trade and other receivables		
Trade receivables	507,060	237,703
Provision for doubtful debts	(47,363)	-
GST receivables	11,455	21,767
Client purchases	14,512	-
Security deposit	45,808	6,160
Prepayment	1,493	-
Total Trade and other receivables	532,965	265,630

Provision for Expected Credit Losses

	2019	2018
Opening Carrying Amount		
Charges for Period	47,363	-
Amounts Written Off	-	-
Closing Carrying Amount	47,363	-

(iii). Current Liabilities

	2019	2018
Trade and other payables	$	$
Trade payables	25,334	89,411
Employee Obligations	230,480	79,100
Accrued wages	119,109	43,647
Unearned income	3,883	26,686
Unearned grant income	19,459	16,590
Other payables	-	241
Total Trade and other payables	398,265	255,574

Other employee benefits provision	77,154	30,000
Provision for rebates	8,125	14,156
Provision for annual leave	41,674	43,311
Total Provisions	126,953	87,467

(iv). Non-Current Assets

Plant and Equipment	Computer Equipment $	Office Equipment $	Total $
Carrying amount 30 June 2017	-	-	-
Additions	13,922	-	13,922
Disposal	-	-	-
Depreciation Expense	-	-	-
Carrying amount 30 June 2018	13,922	-	13,922
Additions	25,014	13,303	38,317
Disposal	(3,474)	-	(3,474)
Depreciation Expense	(4,964)	(211)	(5,175)
Carrying amount 30 June 2019	30,498	13,092	43,590

(v). Non- Current Provisions

Other employee benefits provision	-	76,000
Provision for long service leave	89,784	24,116
Total Non-Current Provisions	89,784	100,116

What are the relevant accounting policies?

Financial assets measured at amortised cost

A financial asset is to be measured at amortised cost using the effective interest method and net of any impairment loss, where:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest.

The Company's investments in term deposits and its receivables are measured at amortised cost as set out below.

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.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables are generally due for settlement within 14 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Plant and equipment (P&E)

P&E are carried at cost basis less depreciation and any impairment loss. The carrying amount of P&E is reviewed annually by directors to ensure it is nothing excess of the recoverable amount of those assets. If impairment indicators exist, the recoverable amount is assessed on the basis of expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net class flows are discounted to present values in determining the recovering amount.

The depreciation amount of P&E assets is calculated on a straight-line basis over the useful lives to Inlife, commencing from the time the asset is first held. The depreciation rates are set out in the below Table 1.

Depreciation method, useful lives, and residual values are reviewed at the completion of each reporting period.

Table 1

Asset Category	Useful Life
Office Equipment	2 - 15 years
Computer Equipment	2 - 5 years

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 14 days of recognition.

Employee benefits

(i) Annual leave. Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave. The liability for long service leave 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 reporting date using the projected unit credit method.

C. OTHER INFORMATION

This section covers other information that is not directly related to items in the financial statements, including information about related party transactions, significant accounting policies not disclosed elsewhere and other statutory information.

C1. RELATED PARTIES

Directors

The names of persons who were directors of the Company at any time during this financial year and unless otherwise indicated were directors for the entire period:

Name		Appointed	Ceased
Mr David Clarke	Director and CEO	29 June 2015	–
Ms Gabrielle Bell	Director and Company Secretary	29 June 2015	–
Ms Wendy Brooks	Chairman	29 June 2015	–
Mr Anthony Vlavianos	Director	9 February 2017	–

Director and key management personnel compensation

Compensation paid or payable to directors of the Company is as follows:

	2019	2018
	$	$
CEO compensation	224,414	178,908
CEO compensation – historical period	-	106,000
Company Secretary compensation	16,921	7,018
Total employee benefits	241,335	291,926

CEO compensation – historical period

In consideration of the CEO's commitment and service to the Company, in particular during the period from July 2016 to March 2018 when he provided services below market value, in FY18 the Board resolved to approve additional remuneration to the CEO of $106,000 in 21 equal payments commencing in January 2019. These compensation payments have been disclosed as "Other employee benefits provision" in Note B1. As at 30 June 2019, $77,154 remains outstanding.

Related Party Transactions

Under clause 8.3 of the Company's Constitution, the Company may pay a member or officer for services they have provided at fair and reasonable rates, or rates more favourable to the Company, where the arrangement has the prior written approval of the Board and the amount payable is not more than an amount that would be payable on reasonable commercial terms.

With the exception of the personnel compensation above, there were no related party transactions during the year ended 30 June 2019.

C2. SUBSEQUENT EVENTS

On 1 October 2019 the Company paid the outstanding additional remuneration owed to the CEO relating to historical periods totaling $62,154.

No other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations, the results of those operations, or the state of affairs of the Company, in future financial years, has arisen.

C3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Reporting entity

InLife Independent Living ("the Company") is a not-for-profit public company limited by guarantee. The address of the Company's registered office is Level 5, 267 Collins Street, Melbourne, VIC 3000, Australia.

Basis for preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare and distribute financial statements to the members of the Company. The directors have determined that the statements adopted are appropriate to meet the needs of the members of the Company.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of 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' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared on a historical cost basis and are measured at fair value.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Critical accounting estimates

The preparation of financial statements in conformity with AASBs requires management to use certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no critical accounting estimates and judgements as at 30 June 2019.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Income tax

The Company is a tax-exempt entity for the purposes of Division 50 of the Income Tax Assessment Act 1997. In addition, the Company is a rebateable employer for the purposes of section 65J of the Fringe benefits Assessment Act 1986.

New, revised or amending Accounting Standards and Interpretations adopted

The company is reviewing all of the new, revised or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB'), with all material changes that are mandatory for the current reporting period adopted.

AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

While the adoption of AASB 9 Financial Instruments from 1 July 2019 resulted in a change in accounting policy the application of the new standard did not have a material impact on the classification, recognition and measurement of the companies trade & other receivables.

The company was required to revise its impairment methodology under AASB 9 for trade & other receivables. There was no material impact as a result of the change in impairment methodology.

The company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade & other receivables. There was no material impact noted.

Impact of standards issued but not yet applied to the company

The Directors are continuing to work through the impact of the following standards issued but not yet applied:

(i) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities was released in December 2016. Rather than accounting for all contribution transactions under AASB 1004, the company will now need to determine whether a transaction is a genuine donation or actually a contract with a customer. This means that the company will need to decide whether the transaction falls within one of two standards: AASB 1058 or AASB 15 Revenue from Contracts with Customers.

Management is currently working through determining the exact impact of the adoption of the new standard however it is not expected to have a material impact on the company's revenues.

(ii) AASB 16 Leases

The AASB has issued a new standard to govern accounting for leases. This will replace AASB 117 which previously governed the accounting and disclosure of leases. AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is applicable to annual reporting periods beginning on or after 1 January 2019. Adoption of the new standard is not expected to have a material impact on the company.

(iii) AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers, applying to annual periods beginning on or after 1 January 2018 for-profit entities and 1 January 2019 for not-for-profit entities, requires an entity to recognise revenue in a manner that represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled. Inlife is a not-for-profit entity and will adopt AASB 15 from 1 July 2019. At the date of this report management are in the process of finalizing their assessment of the impact of this accounting standard, however do not expect the changes to be material.

DIRECTORS' DECLARATION

In the directors' opinion:

- The company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in notes to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (the ACNC Act) requirements to prepare and distribute financial statements to the members of the Company;
- The attached financial statements and notes comply with the ACNC Act and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to Reg 60.15(2) of the Australian Charities and Not-for-profits Commission Regulations 2013 (Cth).

On behalf of the directors

Ms Wendy Brooks	Mr David Clarke
Chairman	*Director*

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 3 9671 7000
Fax: +61 9671 7001
www.deloitte.com.au

Independent Auditor's Report to the members of InLife Independent Living Limited

Opinion

We have audited the financial report, being a special purpose financial report of InLife Independent Living Ltd (the "Entity") which comprises the statement of financial position as at 30 June 2019, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies other explanatory information, and the declaration statement by the Directors, as set out on pages 7 to 19.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note C2, 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 Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards 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 C2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Director'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.

Responsibilities of the Directors for the Financial Report

The directors of the 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 C2 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Director's responsibility also includes such internal control as the Director determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants
Melbourne, 17 October 2019