

Australian Chiropractic College Limited

ABN : 84 612 258 072

Financial Statements

For the Financial Year ended 30 June 2019

Australian Chiropractic College Limited

ABN : 84 612 258 072

Contents

For the financial year ended 30 June 2019

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Australian Chiropractic College Limited

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Directors' Report 30 June 2019

The directors present their report on Australian Chiropractic College Limited for the financial year ended 30 June 2019.

1. General information

Information on directors

The names of each person who are directors at the date of this report are:

Dr Patrick Sim
Dr Hayden Belle
Dr Aaron Scott
Dr Mark Postles
Mr Jerry Adams
Prof Andrew Flitman
Mr Gerry Clum
Prof Jenny Graham (Appointed 13 December 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Australian Chiropractic College Limited during the year is to gain approval for and found the ACC as a higher education provider. This involves substantially applications for tertiary education registration through the tertiary education quality standards authority (TEQSA). Other activities include fund raising and intra-professional promotion of the ACC.

No significant changes in the nature of Australian Chiropractic College Limited's activity occurred during the financial year.

Members' guarantee

Australian Chiropractic College Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of Australian Chiropractic College Limited, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5,000 for all members, subject to the provisions of Australian Chiropractic College Limited's constitution.

At 30 June 2019 the collective liability of members was \$20,000.

2. Other items

Future developments and results

Likely developments in the operations of Australian Chiropractic College Limited and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to Australian Chiropractic College Limited.

Meetings of directors

During the financial year, 8 meetings of directors were held. Attendances by each director during the financial year were as follows:

Australian Chiropractic College Limited

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Directors' Report

30 June 2019

Meetings of directors continued

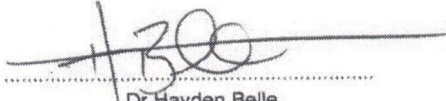
Board Meetings		
	Number eligible to attend	Number attended
Dr Patrick Sim	7	6
Dr Hayden Belle	7	7
Dr Aaron Scott	7	6
Dr Mark Postles	7	7
Mr Jerry Adams	8	8
Prof Andrew Flitman	8	7
Mr Gerard Clum	8	7
Prof Jenny Graham	8	6

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the financial year ended 30 June 2019 has been received and can be found on page 3 of the financial report.

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

Director: .....
Dr Patrick Sim

Director: .....
Dr Hayden Belle

Dated this

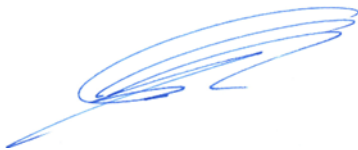
21/8/19

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Chiropractic College Limited

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

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Adelaide



Steven A Russo CA, RCA

Partner

Lvl 9, 81 Flinders Street, Adelaide SA

Dated this 21th day of August 2019

Australian Chiropractic College Limited

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Statement of Profit or Loss and Other Comprehensive Income For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
Donations		34,809	127,495
Grant income		5,000	51,000
Interest income		5,970	-
Professional fees		-	9,233
Sponsorship fees		38,451	130,736
Other income		400	1,200
Total revenue		<u>84,630</u>	<u>319,664</u>
Expenses			
Administration expenses		(9,960)	(2,578)
Advertising expenses		(11,890)	(547)
Consultancy fees		(177,264)	(205,055)
Finance expenses		(12,899)	(8,212)
Operating expenses	4	(183,987)	(69,764)
Unrealised gain/loss		(19,037)	(18,184)
Payroll expenses		(96,614)	-
Total expenses		<u>(511,651)</u>	<u>(304,304)</u>
Profit before income tax		(427,021)	15,360
Income tax expense		-	-
Profit from continuing operations		(427,021)	15,360
Profit for the year		(427,021)	15,360
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(427,021)	15,360

The accompanying notes form part of these financial statements.

Australian Chiropractic College Limited

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Statement of Financial Position

30 June 2019

	Note	2019 \$	2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	556,537	560,703
Trade and other receivables	6	131,844	376,209
TOTAL CURRENT ASSETS		<u>688,381</u>	936,912
TOTAL ASSETS		<u>688,381</u>	<u>936,912</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	45,347	5,764
Financial liabilities	8	27,961	7,093
TOTAL CURRENT LIABILITIES		<u>73,308</u>	12,857
NON-CURRENT LIABILITIES			
Financial liabilities	8	926,489	807,450
TOTAL NON-CURRENT LIABILITIES		<u>926,489</u>	807,450
TOTAL LIABILITIES		<u>999,797</u>	820,307
NET ASSETS		<u>(311,416)</u>	116,605
EQUITY			
Retained earnings		<u>(311,416)</u>	116,605
TOTAL EQUITY		<u>(311,416)</u>	116,605

The accompanying notes form part of these financial statements.

Australian Chiropractic College Limited

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Statement of Changes in Equity For the financial year ended 30 June 2019

2019

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2018		116,605	116,605
Prior year adjustment		(1,000)	(1,000)
Balance at 1 July 2018 restated		115,605	115,605
Profit after income tax expenses for the year		(427,021)	(427,021)
Capital receipts		-	-
Balance at 30 June 2019		(311,416)	(311,416)

2018

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2017		101,245	101,245
Profit after income tax expenses for the year		15,360	15,360
Capital receipts		-	-
Balance at 30 June 2018		116,605	116,605

The accompanying notes form part of these financial statements.

Australian Chiropractic College Limited

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Statement of Cash Flows

For the financial year ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	323,995	240,508
Grant receipts	5,000	51,000
Payments to suppliers and employees	(432,062)	(292,026)
Interest paid	(1,099)	(8,212)
Net cash provided by/(used in) operating activities	<u>(104,166)</u>	<u>(8,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	<u>100,000</u>	564,543
Net cash provided by/(used in) financing activities	<u>100,000</u>	<u>564,543</u>
Net increase/(decrease) in cash and cash equivalents held	560,703	555,813
Cash and cash equivalents at beginning of the period	<u>(4,166)</u>	4,890
Cash and cash equivalents at end of the period	5 <u><u>556,537</u></u>	<u><u>560,703</u></u>

The accompanying notes form part of these financial statements.

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

The financial report covers Australian Chiropractic College Limited as an individual entity. Australian Chiropractic College Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Australian Chiropractic College Limited is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

Australian Chiropractic College Limited is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

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

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

Grant revenue

Grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when Australian Chiropractic College obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to Australian Chiropractic College Limited and the amount of the grant can be measured reliably.

When grant revenue is received whereby Australian Chiropractic College Limited incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Australian Chiropractic College Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

(b) Revenue and other income continued

Rendering of services

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

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

Other income

Other income is recognised on an accruals basis when Australian Chiropractic College Limited is entitled to it.

Donations

Donations are recognised at the time the pledge is made.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

(d) Financial instruments

Financial instruments are recognised initially on the date that Australian Chiropractic College Limited becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through the Statement of Profit or Loss and Other Comprehensive Income where transaction costs are expensed as incurred).

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets

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

- Receivables.

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

(d) Financial instruments continued

Financial assets continued

Receivables

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

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

Australian Chiropractic College Limited's trade and other receivables fall into this category of financial instruments.

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

Impairment of Financial assets

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

Financial assets at amortised cost

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

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

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Notes to the Financial Statements For the financial year ended 30 June 2019

(d) Financial instruments continued

Financial assets continued

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Australian Chiropractic College Limited's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Gains or losses on derecognition are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. Australian Chiropractic College Limited has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised as doubtful debt. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where Australian Chiropractic College Limited renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit loss for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

Australian Chiropractic College Limited measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of Australian Chiropractic College Limited comprise trade payables, bank and other loans.

Australian Chiropractic College Limited

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Notes to the Financial Statements

For the financial year ended 30 June 2019

(e) Cash and cash equivalents

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

(f) Provisions

Provisions are recognised when Australian Chiropractic College Limited 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(g) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(h) Related parties

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

(i) Adoption of new and revised accounting standards

Australian Chiropractic College Limited has adopted all standards which became effective for the first time at 30 June 2019. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of Australian Chiropractic College Limited.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Australian Chiropractic College Limited.

Notes to the Financial Statements

For the financial year ended 30 June 2019

(i) Adoption of new and revised accounting standards continued

The following Accounting Standards and Interpretations are most relevant to Australian Chiropractic College Limited:

AASB 9 Financial Instruments

Australian Chiropractic College Limited has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

Australian Chiropractic College Limited has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Australian Chiropractic College Limited

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Notes to the Financial Statements

For the financial year ended 30 June 2019

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

Australian Chiropractic College Limited has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs. Management have used best and reasonable estimates as their inputs for the models given the information available at the time.

Key estimates - provisions

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

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

4 Operating expenses

The result for the year includes the following specific expenses:

	2019	2018
	\$	
Operating expenses		
- Fundraising & events	-	2,709
- Seminars	-	259
- Website/IT expenses	16,942	1,000
- ASIC fees	1,530	1,176
- Contract work	44,754	20,400
- Entertainment Expenses	310	-
- Filing Fees	148	-
- Insurance	998	997
- Legal costs	82,984	18,223
- Meetings and Entertainment Expenses	3,324	-
- Parking Fees	49	-
- Printing, Postage and Stationery	145	-
- Professional fees	27,924	25,000
- Subscription	428	-
- Telephone & Internet	326	-
- Travelling, Flights & Accommodation Expenses	4,125	-
Total operating expenses	<u>183,987</u>	<u>69,764</u>

5 Cash and cash equivalents

	2019	2018
	\$	
Cash at bank	139,448	560,703
Short-term deposit	417,089	-
	<u>556,537</u>	<u>560,703</u>

6 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	93,738	123,791
Loan receivables	-	250,000
GST receivables	8,773	2,418
Deposit	29,333	-
Total current trade and other receivables	<u>131,844</u>	<u>376,209</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

7 Trade and other payables

	2019	2018
Note	\$	\$
Current		
Trade payables	20,221	5,764
Deposits	4,361	
Withholdings Taxes Payable	20,765	-
	<u>45,347</u>	<u>5,764</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days.

8 Financial liabilities

	2019	2018
	\$	\$
Current liabilities		
Interest payable	<u>27,961</u>	<u>7,093</u>

	2019	2018
	\$	\$
Non-current liabilities		
Loan from Life Chiropractic College West	71,297	67,490
Loan from Life University Inc	150,000	150,000
Loan from Postles Family Superannuation Fund	70,000	70,000
Loan from ChiroSecure	142,596	134,980
Loan from Chiropractors' Association of Australia (South Australia) Ltd	250,000	250,000
Loan from New Zealand Chiropractic Education Trust Board	142,596	134,980
Loan from Dr Adam McKenzie	100,000	-
	<u>926,489</u>	<u>807,450</u>

Australian Chiropractic College Limited

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Notes to the Financial Statements For the financial year ended 30 June 2019

9 Members' Guarantee

Australian Chiropractic College Limited is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If Australian Chiropractic College Limited is wound up, the constitution states that each member is required to contribute a maximum of \$5,000 each towards meeting any outstandings and obligations of Australian Chiropractic College Limited. At 30 June 2019 the number of members were four.

10 Contingencies

In the opinion of the Directors, Australian Chiropractic College Limited did not have any contingencies at 30 June 2019.

11 Events after the end of the Reporting Period

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

12 Related party disclosure

The following persons were directors of Australian Chiropractic College Limited during the financial year:

Dr Patrick Sim
Dr Hayden Belle
Dr Aaron Scott
Dr Mark Postles
Mr Jerry Adams
Prof Andrew Flitman
Mr Gerard Clum
Prof Jenny Graham

Loans to/from related parties

A loan obtained from Postles Family Superannuation Fund is entered on 1 December 2017 whose trustees are a related party to one of the Directors. There were no loans to or from related parties at the previous reporting date.

14 Statutory information

The registered office and principal place of business is:
Australian Chiropractic College Limited
347 Unley Road
MALVERN SA 5061

Australian Chiropractic College Limited

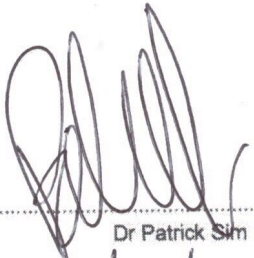
ABN : 84 612 258 072

Directors' Declaration

The directors of Australian Chiropractic College Limited declare that:

1. The financial statements and notes, as set out on pages 4 to 17, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the financial year ended on that date of Australian Chiropractic College Limited.
2. In the directors' opinion, there are reasonable grounds to believe that Australian Chiropractic College Limited 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: 
Dr Patrick Sim

Director: 
Dr Hayden Belle

Dated 21/8/19

Independent Audit Report to the members of Australian Chiropractic College Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 2019 Australian Chiropractic College Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.


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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 directors' 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 Company'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 Company 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PKF Adelaide



Steven A Russo CA, RCA
 Audit Partner
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Dated this 21th day of August 2019