

Adelaide Northern Division of General Practice Ltd
ABN 12 061 979 048

Trading as

**Sonder Care (formerly Northern Health
Network)**

Financial Statements
For the year ended 30 June 2018

Ascensio Accountants

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Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)

Contents	Page
Directors' Report	3
Directors' Declaration	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	12
Auditor's Independence Declaration	
Independent Auditor's Report	

Adelaide Northern Division of General Practice Ltd t/as Sonder Care (formerly Northern Health Network)

Your directors present this report on the company for the financial year ended 30 June 2018.

Directors

The names of the directors in office at any time during or since the end of the year are:

Dr Farooq AHMAD	-	Director
Qualifications	-	MBBS, FRACGP, Dip Farm Med
Experience	-	Appointed to the Board: 25 March 2009
Special Responsibilities	-	Nil
Dr Richard HEAH	-	Director / Chairman
Qualifications	-	MBBS, Dip RANZCOG, ACCAM, FRACGP
Experience	-	Appointed to the Board: 19 November 2004
Special Responsibilities	-	Chairman
Dr Rizwan LATIF	-	Director
Qualifications	-	MBBS, FRACGP
Experience	-	Appointed to the Board: 14 December 2009
Special Responsibilities	-	Risk & Finance Committee Member
Dr Seema JAIN	-	Director
Qualifications	-	FRACGP
Experience	-	Appointed to the Board: 15 July 2013
Special Responsibilities	-	Nil
Dr Sudheer TALARI	-	Director
Qualifications	-	MBBS
Experience	-	Appointed to the Board: 15 July 2013
Special Responsibilities	-	Nil
Daniel J HAYDON	-	Director
Qualifications	-	Masters of Health Services Management
Experience	-	Appointed to the Board: 10 February 2014
Special Responsibilities	-	Risk & Finance Committee Member
John MANNING	-	Director
Qualifications	-	Bachelor of Commerce
Experience	-	Appointed to the Board: 3 August 2015
Special Responsibilities	-	Risk & Finance Committee Chair

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

Directors' Meetings

During the year ten (10) Directors' meetings were held. An account of attendances follows:

	Directors' Meetings Attended	AGM	Risk & Finance Committee
Dr Farooq AHMAD	8	1	-
Dr Richard Heah	10	1	-
Dr Rizwan Latif	10	1	5
Dr Seema JAIN	7	1	-
Dr Sudheer TALARI	7	1	-
Mr Daniel J HAYDON	9	1	5
Mr John MANNING	10	1	5

Adelaide Northern Division of General Practice Ltd t/as Sonder Care (formerly Northern Health Network)

Operating Result

The total surplus from operations of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
30 June 2018	30 June 2017
\$391,941	\$289,853

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

Sonder (formerly Northern Health Network) delivers innovative programs enabling improved access to health and wellness services in metro and regional areas. For FY 2017/2018, Sonder delivered on behalf of both Primary Health Networks clinical services across the age span and complexity of mental health concerns, including the state funded Shared Care with GPs program. In addition, Sonder delivers a Barossa based primary care palliative care program, Aboriginal health CTG/ ITC program across Barossa, mid-North and Yorke Peninsula and the entire metro region. Sonder is also the lead agency for headspace Edinburgh North. Sonder delivers an integrated service where Aboriginal Health CTG/ITC staff, mental health staff and health projects staff work seamlessly to ensure that clients are able to access multiple service types to address their care requirements. Furthermore, Sonder has also provided support to GPs and the community through education and training, health promotions and provision of IT support services.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

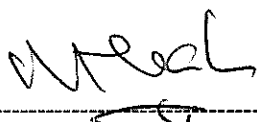
Proceedings on Behalf of Company

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.

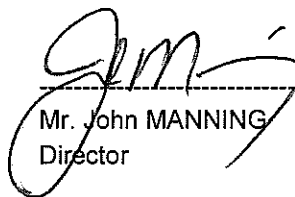
Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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



Dr Richard HEAH
Director



Mr. John MANNING
Director

Dated: 27 August 2018

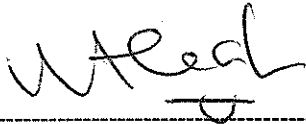
Adelaide Northern Division of General Practice Ltd
t/as Sonder (formerly Northern Health Network)
Directors' Declaration

The directors of the company declare that:

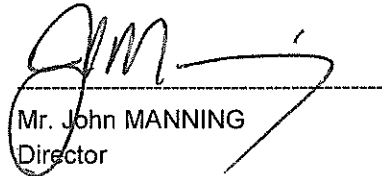
1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporation Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This declaration is made in accordance with a resolution of the Board of Directors.



Dr Richard HEAH
Director



Mr. John MANNING
Director

Dated: 27 August 2018

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	9,677,552	7,537,239
Employee Benefits Expense		(7,015,719)	(5,272,319)
Program Delivery Expenses		(1,041,472)	(1,029,259)
ICT Expense		(339,822)	(225,472)
Occupancy expenses		(415,839)	(300,749)
Other Expenses		(472,759)	(419,587)
Total Surplus from Operations		391,941	289,853
Other Comprehensive Income			-
Unrealised Gain (loss) from Investments		44,726	-
Total Comprehensive Income for the Year		436,666	289,853

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash assets	<u>3</u>	4,092,733	4,679,995
Receivables	<u>4</u>	254,665	226,701
Other	<u>6</u>	40,222	11,003
Total Current Assets		4,387,620	4,917,698
Non-Current Assets			
Property, plant and equipment	<u>7</u>	3,000	22,109
Financial Assets	<u>5</u>	1,044,726	-
Total Non-Current Assets		1,047,726	22,109
Total Assets		5,435,345	4,939,807
Liabilities			
Current Liabilities			
Trade & Accounts Payable	<u>8</u>	789,394	1,124,114
Financial borrowings	<u>9</u>	17,481	469
Current tax liabilities	<u>10</u>	248,639	156,877
Provisions	<u>11</u>	467,661	445,602
Other Current Liabilities	<u>12</u>	749,708	588,521
Total Current Liabilities		2,272,883	2,315,584
Non-Current Liabilities			
Provisions	<u>11</u>	311,142	209,569
Total Non-Current Liabilities		311,142	209,569
Total Liabilities		2,584,025	2,525,153
Net Assets		2,851,320	2,414,654
Equity			
Unrestricted Retained Earnings		2,506,595	2,114,654
Restricted Retained Earnings		300,000	300,000
Other Reserves		44,726	-
Total Equity		2,851,320	2,414,654

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Statement of Changes in Equity
For the Year Ended 30 June 2018

	Retained Earnings	Other Reserves	Total
Balance at 01/07/2016	<u>2,124,801</u>	<u>-</u>	<u>2,124,801</u>
Comprehensive Income			
Surplus from operations for the year	289,853		289,853
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30/06/2017	<u>2,414,654</u>		<u>2,414,654</u>
Comprehensive Income			
Surplus from operations for the year	391,941		391,941
Other Comprehensive Income for the Year	<u>44,726</u>	<u>44,726</u>	<u>44,726</u>
Balance at 30/06/2018	<u>2,806,595</u>	<u>44,726</u>	<u>2,851,321</u>

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Statement of Cash Flows
For the year ended 30 June 2018

	2018	2017
	\$	\$
Cash Flow from Operating Activities		
Receipts from customers	9,586,686	8,210,106
Payments to Suppliers and employees	(9,253,862)	(6,873,713)
Interest received	62,902	79,431
Income tax paid		
Net cash provided by (used in) operating activities (note 2)	<u>395,726</u>	<u>1,505,824</u>
Cash Flow from Investing Activities		
Payment for:		
Investment Portfolio	(1,000,000)	
Payments for property, plant and equipment		(34,619)
Net cash provided by (used in) investing activities	<u>(1,000,000)</u>	<u>(34,619)</u>
Cash Flow from Financing Activities		
Proceeds of borrowings	17,012	
Repayment of borrowings		(12,956)
Net cash provided by (used in) financing activities	<u>17,012</u>	<u>(12,956)</u>
Net increase (decrease) in cash held	(587,262)	1,458,249
Cash at the beginning of the year	<u>4,679,995</u>	<u>3,221,746</u>
Cash at the end of the year (note 1)	<u>4,092,733</u>	<u>4,679,995</u>

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Statement of Cash Flows
For the year ended 30 June 2018

2018

2017

Note 1. Reconciliation Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank	4,756	4,281
CBA Term Deposit Bank Guarantee	100,000	100,000
NAB Cheque	256,787	65,144
NAB Savings	1,231,845	2,086,286
NAB Staff Liability a/c	506,076	503,465
NAB Term Deposits	1,992,671	1,920,245
Petty Cash	598	574
	<u>4,092,733</u>	<u>4,679,995</u>

Note 2. Reconciliation of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss)	391,941	289,853
Depreciation	19,109	12,510

Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:

(Increase) decrease in trade and term debtors	(27,964)	752,297
(Increase) decrease in prepayments	(29,220)	4,609
Increase (decrease) in trade creditors and accruals	41,914	550,863
Increase (decrease) in other creditors	(242,656)	(212,909)
Increase (decrease) in employee entitlements	150,841	139,800
Increase (decrease) in sundry provisions	91,761	(31,199)
Net cash provided by operating activities	<u>395,726</u>	<u>1,505,824</u>

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

Note 1: Statement of Significant Accounting Policies

The financial report is a General Purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Adelaide Northern Division of General Practice Ltd as an individual entity. Adelaide Northern Division of General Practice Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Adelaide Northern Division of General Practice Ltd as the controlled entity and Adelaide Northern Division of General Practice Ltd as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Accounting Policies

Income tax

The Association is exempt in accordance with the Terms of Section 50-5 of the Income Tax Assessment Act 1997 as amended.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements have been measured at the amount expected to be paid when the liability is settled.

Provisions

Provision are recognised when Adelaide Northern Division of General Practice Ltd has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred

Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

a) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

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

b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Adelaide Northern Division of General Practice Ltd commencing from the time the asset is held ready for use.

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

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

Class of Assets	Depreciation Rate
Motor Vehicles	25%

Financial Instruments

a) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

b) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.

d) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

e) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

f) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

g) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

	2018	2017
	\$	\$

h) Impairment

At each reporting date, the directors assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Note 2: Revenue and Other Income

Revenue:

Grant Funding Income	9,021,245	7,054,049
IT Services Income	288,702	244,918
Interest Income	62,902	79,431
Other Income	304,703	158,841
	<u>9,677,552</u>	<u>7,537,239</u>

Note 3: Cash assets

Bank accounts:		
Cash at Bank	4,756	4,281
CBA Term Deposit Bank Guarantee	100,000	100,000
NAB Cheque	256,787	65,144
NAB Savings	1,231,845	2,086,286
NAB Staff Liability a/c	506,076	503,465
NAB Term Deposits	1,992,671	1,920,245
Other cash items:		
Petty Cash	598	574
	<u>4,092,733</u>	<u>4,679,995</u>

Reconciliation of Cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

- Cash	4,092,733	4,679,995
	<u>4,092,733</u>	<u>4,679,995</u>

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

	2018	2017
	\$	\$

Note 4: Receivables

Current

Trade debtors	254,665	226,701
	<u>254,665</u>	<u>226,701</u>

Note 5: Other Financial Assets

Investment Portfolio	1,000,000	-
Unrealised Gain (Loss) from Investments	44,726	-
	<u>1,044,726</u>	<u>-</u>

Note 6: Other Current Assets

Prepayments	40,022	10,803
Other	200	200
	<u>40,222</u>	<u>11,003</u>

Note 7: Property, Plant and Equipment

Motor vehicles:		
At cost	34,619	34,619
Less: Accumulated Depreciation	(31,619)	(12,510)
	<u>3,000</u>	<u>22,109</u>

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

	2018 \$	2017 \$
Note 8: Payables		
Unsecured:		
- Trade creditors	617,715	575,801
- Other creditors	<u>144,470</u>	<u>548,313</u>
	<u>762,185</u>	<u>1,124,114</u>
Note 9: Borrowings		
Current		
Unsecured:		
- Credit Cards	<u>17,481</u>	<u>469</u>
	<u>17,481</u>	<u>469</u>
Note 10: Tax Liabilities		
Current		
GST clearing	125,893	78,059
Amounts withheld from salary and wages	<u>122,746</u>	<u>78,818</u>
	<u>248,639</u>	<u>156,877</u>
Note 11: Provisions		
Current		
Employee entitlements*	<u>467,661</u>	<u>445,602</u>
	<u>467,661</u>	<u>445,602</u>
Non-Current		
Employee entitlements*	<u>311,142</u>	<u>209,569</u>
	<u>311,142</u>	<u>209,569</u>
* Aggregate employee entitlements liability	778,803	655,172

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Notes to the Financial Statements
For the year ended 30 June 2018

	2018	2017
	\$	\$

Note 12: Other Liabilities

Current

Grants in Advance	749,708	588,521
	<u>749,708</u>	<u>588,521</u>

Note 13: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	8,000	8,000
Other services	-	-
	<u>8,000</u>	<u>8,000</u>

Note 14: Events Subsequent to Reporting Date

Since the end of the financial year there have been no events that would give rise to an adjustment to the accounts for the year ended 30 June 2018.

Adelaide Northern Division of General Practice Ltd
t/as Sonder Care (formerly Northern Health Network)
Auditors Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To THE DIRECTORS OF: Adelaide Northern Division of General Practice Ltd

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

- (i) no contraventions of the auditor independence requirements as set out in 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



Natale Rugari

Principal, Registered Company Auditor

Ascensio Accountants
Suite 12, 116 Melbourne Street
North Adelaide SA 5006

INDEPENDENT AUDITOR'S REPORT**Adelaide Northern Division of General Practice Ltd****Opinion**

I have audited the accompanying financial report of Adelaide Northern Division of General Practice Ltd, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In my opinion, the financial report of Adelaide Northern Division of General Practice Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

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

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the responsible entities, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsible entities' responsibility for the financial report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the responsible entities 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 responsible entities 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 intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Natale Rugari
Registered Company Auditor

20th August 2018

Ascensio Accountants
12, 116-120 Melbourne St
North Adelaide SA 5006