

# St Hilary's Anglican Church Kew

## SPECIAL PURPOSE FINANCIAL REPORT

For the year ended

30<sup>TH</sup> SEPTEMBER 2017

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St Augustine's, Bundoran Parade, Mont Albert North

# INCOME STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

	NOTES	General Fund		Education Fund		Gift Fund	
		2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Revenue from ordinary activities	<b>2</b>	2,017,895	2,033,928	4,966	144,590	13,172	5,053
Expenses from ordinary activities	<b>3</b>	2,094,103	2,130,372	88,817	39,288	13,153	13,258
<b>Surplus/(Deficit) from ordinary activities</b>		<b>(76,208)</b>	<b>(96,444)</b>	<b>(83,851)</b>	<b>105,302</b>	<b>19</b>	<b>(8,205)</b>
Transfer From/(To) Reserves	<b>6</b>	-	96,920	-	-	-	-
<b>Surplus/(Deficit) from ordinary activities after transfers From/(To) Reserves</b>		<b>(76,208)</b>	<b>476</b>	<b>(83,851)</b>	<b>105,302</b>	<b>19</b>	<b>(8,205)</b>
<b>The above Income Statement is to be read in conjunction with the attached notes</b>							

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

	General Fund			Education Fund	Gift Fund
	Retained Surplus	Reserves	TOTAL	Retained Surplus	Retained Surplus
Balance at 1 Oct 2015	<b>118,015</b>	<b>160,000</b>	<b>278,015</b>	<b>118,767</b>	<b>8,670</b>
Surplus/(Deficit) for the year	476	(96,920)	(96,444)	105,302	(8,205)
Balance at 30 Sept 2016	<b>118,491</b>	<b>63,080</b>	<b>181,571</b>	<b>224,069</b>	<b>465</b>
Surplus/(Deficit) for the year	(76,208)	-	(76,208)	(83,851)	19
<b>Balance at 30 Sept 2017</b>	<b>42,283</b>	<b>63,080</b>	<b>105,363</b>	<b>140,218</b>	<b>484</b>

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

		General Fund		Education Fund		Gift Fund	
	NOTES	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>CURRENT ASSETS</b>							
Cash and cash equivalents		152,685	216,510	129,396	224,069	484	465
Trade and other receivables		21,724	18,079	10,822	-	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>174,409</b>	<b>234,589</b>	<b>140,218</b>	<b>224,069</b>	<b>484</b>	<b>465</b>
<b>NON CURRENT ASSETS</b>	<b>9</b>						
Plant and equipment	<b>5</b>	109,736	106,923	-	-	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>109,736</b>	<b>106,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>284,145</b>	<b>341,512</b>	<b>140,218</b>	<b>224,069</b>	<b>484</b>	<b>465</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables		64,602	68,063	-	-	-	-
Employee entitlements		114,180	91,878	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>7</b>	<b>178,782</b>	<b>159,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>178,782</b>	<b>159,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>105,363</b>	<b>181,571</b>	<b>140,218</b>	<b>224,069</b>	<b>484</b>	<b>465</b>
<b>PARISHIONER'S EQUITY</b>							
Retained Surplus		42,283	118,491	140,218	224,069	484	465
Reserves	<b>6</b>	63,080	63,080	-	-	-	-
<b>TOTAL EQUITY</b>		<b>105,363</b>	<b>181,571</b>	<b>140,218</b>	<b>224,069</b>	<b>484</b>	<b>465</b>
<b>The above Statement of Financial Position is to be read in conjunction with the attached notes</b>							

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

	NOTES	General Fund		Education Fund		Gift Fund	
		2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Surplus / (deficit)		(76,208)	(96,444)	(83,851)	105,302	19	(8,205)
Surplus / (deficit) to net cash provided by operations:							
Accounts Receivable		4,213	(5,094)	-	-	-	-
Debtors		1,105	(2,110)	-	-	-	-
Prepayments		(9,624)	11,764	-	-	-	-
Accounts Payable		(4,991)	(12,602)	-	-	-	-
Other Entities		5,224	(9,389)	(3,566)	11,943	-	-
Employee Entitlements		22,301	4,228	-	-	-	-
Missions budget unpaid		9,112	1,258	-	-	-	-
Creditors and Tax		(12,144)	14,784	(7,256)	544	-	-
<b>Net Cash provided by operating activities</b>		<b>(61,012)</b>	<b>(93,605)</b>	<b>(94,673)</b>	<b>117,789</b>	<b>19</b>	<b>(8,205)</b>
<b>INVESTING ACTIVITIES</b>							
Fixed Assets	<b>5</b>	(26,680)	(62,794)	-	-	-	-
Depreciation		23,867	14,890	-	-	-	-
<b>Net cash provided by Investing Activities</b>		<b>(2,813)</b>	<b>(47,904)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net cash increase / (decrease) for period		<b>(63,825)</b>	<b>(141,509)</b>	<b>(94,673)</b>	<b>117,789</b>	<b>19</b>	<b>(8,205)</b>
Cash at beginning of period		216,510	358,018	224,069	106,280	465	8,670
<b>Cash at end of period</b>		<b>152,685</b>	<b>216,509</b>	<b>129,396</b>	<b>224,069</b>	<b>484</b>	<b>465</b>
<b>The above Cash Flow Statement is to be read in conjunction with the attached notes</b>							

# Notes to and Forming Part of the Accounts

FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

## 1. Summary Of Accounting Policies

These financial reports are special purpose financial reports prepared in order to satisfy the requirements of the Anglican Diocese of Melbourne Parish Governance Act to prepare accounts. The Church Board have determined that St Hilary's Anglican Church Kew is not a reporting entity. The comparative 2016 figures are those of the Parish of Kew, North Balwyn and Mont Albert North. These financial reports include:

- The General Fund comprising the parish operations of St Hilary's Network.
- The Education Fund comprising the Special Appeals Fund and the St Hilary's Education Centre Building Fund which was previously used to receive deductible gifts for the Education Centre and Saunders House.
- The Gift Fund is the St Hilary's Fund, an ancillary fund to receive donations for tax-deductible purposes.

The financial reports have been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 1031 Materiality

AASB 110 Events after the Reporting Date

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report.

### a) Basis of Accounting

The financial report is a special purpose financial report, which has been prepared on the historical cost basis. The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued and subsequent disposal of the assets. The expected net cash flows included in determining the recoverable amounts have not been discounted to their present value. Note that the financial statements have been prepared on an accruals basis.

### b) Income and Expense Recognition

Offertory income and donations are recognized when the cash is received.

Mission giving is expensed when the commitment to give has been made. Any difference between the committed mission giving and actual payments made is recognised on the balance sheet.

All other expenses are recognised when incurred.

### c) Accounts Payable

With the exception of Missions commitments as mentioned in note (1b) all other accounts payable are recognized when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

### d) Acquisition of Assets

Where assets are purchased by the General Fund, they are recorded at the purchase cost at the date of acquisition. Where assets are donated, they are recorded at the value to the entity had the item been purchased in the open market. Where assets are purchased by the Education Fund they are recorded as expenses from ordinary activities.

#### **e) Depreciation**

Depreciation is provided on plant and equipment purchased or acquired by the General Fund. Depreciation is calculated on a straight-line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

Computers and Software	4 years
Audio Visual	5 years
Fixtures and Fittings	10 years
Furniture	20 years
Other Equipment	6.67 years

#### **f) Employee Entitlements**

Provision is made for benefits accruing to employees in respect of salary, stipend, allowances, superannuation, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of salaries, stipends, allowances, annual leave, long service leave and other entitlements are measured using the remuneration rate expected to apply at the time of settlement.

Long service leave obligations for clerics are met by the Parish, however the Anglican Long Service Leave Fund ("Fund") covers part of the cost of this liability for which the Parish makes regular payments to the Fund. Accordingly a net provision has been taken up as part of the liability is covered by the Fund. For other employees, provisions are taken up on the seventh anniversary of the employee's commencement date pro-rata based on thirteen weeks for fifteen years of service.

#### **g) Income Tax**

The General Fund is exempt from Income Tax under Section 50 of the Income Tax Assessment Act 1997 as a religious institution.

The St Hilary's Education Centre Building Fund was endorsed by the Australian Taxation Office as a Deductible Gift Recipient under Item 2.1.10 of section 30-25 of the Income Tax Assessment Act 1997.

The St Hilary's Fund is endorsed as an income tax exempt charitable entity under section 50-8 of the Income Tax Assessment Act 1997. In addition, the St Hilary's Fund has been approved as an Ancillary Fund under item 2 of the table in section 30-15 of the income Tax Assessment Act 1997

#### **h) Missions & Social Justice**

St Hilary's Network supports a range of Mission & Social Justice initiatives. The Missions & Social Justice Board submits an annual budget to Church Board for their approval, following which it oversees the distribution of these funds in accordance with that budget and the funds available, and monitors the relevant organizations/individuals.

The Missions and Social Justice Board makes recommendations to Church Board.

Grants are given in relation to 6 categories: Theological Education; Student Ministry; Aid & Development; Indigenous Ministry; Church Planting and Outreach and Mission.

Our partnership with these organizations is reviewed annually.

## 2. Revenue From Ordinary Activities

	General Fund		Education Fund		Gift Fund	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Offertories	1,704,711	1,682,971	-	-	-	-
Donations – external	7,205	2,976	3,750	142,737	13,150	5,000
St Hilary's Hope	87,144	78,935	-	-	-	-
Interest Received	1,426	3,330	1,216	1,853	22	53
Peter Corney Training Centre	18,867	49,337	-	-	-	-
Other incl. Rents	106,042	103,880	-	-	-	-
Events & Camps	92,500	112,499	-	-	-	-
<b>TOTAL REVENUE</b>	<b>2,017,895</b>	<b>2,033,928</b>	<b>4,966</b>	<b>144,590</b>	<b>13,172</b>	<b>5,053</b>

## 3. Expenses From Ordinary Activities

	General Fund		Education Fund		Gift Fund	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Communications	51,056	39,930	-	-	-	-
Church Property and Utilities	200,191	218,362	88,809	39,280	-	-
Diocesan Assessment	132,000	132,000	-	-	-	-
Depreciation	23,867	17,868	-	-	-	-
Employment	1,263,119	1,210,514	-	-	-	-
Interest and Bank Fees	10,685	10,873	8	8	-	-
Missions (see note 8)	219,028	224,209	-	-	13,150	13,250
Other Expenses	59,397	97,086	-	-	3	8
Events & Camps	103,317	130,114	-	-	-	-
Peter Corney Training Centre	9,293	28,497	-	-	-	-
St Hilary's Hope	22,150	20,920	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>2,094,103</b>	<b>2,130,372</b>	<b>88,817</b>	<b>39,288</b>	<b>13,153</b>	<b>13,258</b>

## 4. Auditors Remuneration

	General Fund	
	2017 \$	2016 \$
Fees for auditing the annual accounts	4,302	4,387
Other Consultancy	1,560	191
<b>TOTAL REMUNERATION</b>	<b>5,862</b>	<b>4,578</b>

## 5. Plant And Equipment – General Fund

	Computer & Software \$	Audio Visual \$	Fixtures & Fittings \$	Furniture \$	Other Equipment \$	Total \$
<b>Cost</b>						
Balance 30 <sup>th</sup> September 2016	32,402	72,218	90,697	42,447	44,408	282,172
Additions	1,017	19,396	-	1,001	5,266	26,680
Disposals	-	-	-	-	-	-
Balance 30 <sup>th</sup> September 2017	<b>33,419</b>	<b>91,614</b>	<b>90,697</b>	<b>43,448</b>	<b>49,674</b>	<b>308,852</b>
<b>Accumulated Depreciation</b>						
Balance 30 <sup>th</sup> September 2016	17,735	27,926	72,635	24,494	32,459	175,249
Depreciation expense	5,166	11,046	2,602	2,168	2,885	23,867
Disposals	-	-	-	-	-	-
Balance 30 <sup>th</sup> September 2017	<b>22,901</b>	<b>38,972</b>	<b>75,237</b>	<b>26,662</b>	<b>35,344</b>	<b>199,116</b>
<b>Net book Value</b>						
Balance 30 <sup>th</sup> September 2017	<b>10,518</b>	<b>52,642</b>	<b>15,460</b>	<b>16,786</b>	<b>14,330</b>	<b>109,736</b>
Balance 30 <sup>th</sup> September 2016	14,667	44,292	18,062	17,953	11,949	106,923

## 6. Reserves – General Fund

	Repairs and Maintenance Reserve		Church Plant Reserve	
	2017 \$	2016 \$	2017 \$	2016 \$
Balance at the beginning of the year	63,080	110,000	-	50,000
Transfer To/From Reserve	-	(46,920)	-	(50,000)
Balance at the end of the year	<b>63,080</b>	<b>63,080</b>	-	-

## 7. Payables

	General Fund	
	2017 \$	2016 \$
<b>CURRENT LIABILITIES</b>		
Employee Entitlements	114,180	91,879
Accounts Payable	14,500	19,491
Missions Accrual	24,136	15,024
Creditors and Accruals	22,591	30,662
Camp Cormorant	3,375	2,886
	<b>178,782</b>	<b>159,942</b>



## 8. Missions and Social Justice

15% of St Hilary's & St Silas plus 5% of St Augustine's freewill offertory received is allocated to support a range of Mission and Social Justice initiatives. The Missions & Social Justice Board administers the distribution of these funds and the following payments have been made:

	General Fund		Gift Fund	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Category A – Theological Education</b>				
CMS Victoria – Boyds (Congo)	9,500	10,500	-	-
Overseas Council (Tanzania/China)	18,000	19,000	-	-
Ridley College	16,600	18,250	3,400	2,750
	<b>44,100</b>	<b>47,750</b>	<b>3,400</b>	<b>2,750</b>
<b>Category B - Student Ministry</b>				
Access Ministries – Kew High – Rosemary Carter	2,850	3,000	-	500
AFES - Swinburne Uni	3,250	13,757	1,000	-
AFES – Melbourne Uni – Julie-Anne Laird	4,500	4,500	-	-
Balwyn High Chaplaincy – Dominic Durantini	3,800	3,500	-	-
CMS Victoria – Livingstones (Switzerland)	9,500	10,500	-	-
Mustard Ministries	21,000	21,500	-	-
Persian Ministry - Razmara	1,000	2,000	-	-
Remain Ministry	-	1,000	-	-
	<b>45,900</b>	<b>59,657</b>	<b>1,000</b>	<b>500</b>
<b>Category C – Aid &amp; Development</b>				
Anglican Overseas Aid – Biotisho Project	5,000	2,500	2,000	2,000
CMS Victoria – Davis Tanzania	1,400	-	-	-
Anglican Relief and Development Fund	-	1,000	-	1,000
Entrust – Hohidiai Indonesia	2,250	-	1,250	-
Tear – Myanmar Health Development	4,500	-	2,250	-
Wise Choices for Life	1,500	-	-	-
Worldshare – Heal Africa Congo	3,500	4,250	1,250	1,000
Worldshare – Hohidiai	1,000	3,500	-	1,000
World Vision – Channels of Hope	5,000	3,500	2,000	1,000
	<b>24,150</b>	<b>14,750</b>	<b>8,750</b>	<b>6,000</b>
<b>Category D - Indigenous Ministry</b>				
Diocese of North West Kimberley	1,000	6,000	-	-
Nungalinya College	8,750	5,500	-	4,000
	<b>9,750</b>	<b>11,500</b>	-	<b>4,000</b>
<b>Category E – Church Planting</b>				
Arabic Anglican Church - Hannah	10,000	-	-	-
Merri Creek Anglican Church	1,500	6,000	-	-
CMS Victoria – Giffords (Barcelona)	9,500	10,500	-	-
French Speaking Church Plant – Camberwell South	4,000	3,000	-	-
Pioneers –Lourdes France	10,000	10,700	-	-
Plenty Life Partnership – Mernda Plant	9,000	9,500	-	-
	<b>44,000</b>	<b>39,700</b>	-	-
<b>Category F – Outreach Mission</b>				
Chinese Christian Mission Aust	600	800	-	-
CMS Victoria – Andrew & Helen	9,500	10,500	-	-
Dalit Freedom Network Liz Mahanidis	4,200	-	-	-
Interserve – Lyn Pearson	9,750	9,000	-	-
Interserve - D Storie	2,500	14,500	-	-
Melbourne School of Theology	600	800	-	-
Operation Mobilisation – L Redden	3,200	2,400	-	-

Operation Mobilisation – L Mahanidis	1,400	6,000	-	-
RBC Ministries Australia	340	800	-	-
	<b>32,090</b>	<b>44,800</b>	-	-
<b>Category G - Mission Support</b>				
Mission Support/Promotion/Lectures	620	956	-	-
Short term Mission Support	500	1,011	-	-
Vicar's Discretionary Fund	956	2,827	-	-
Net Change in Accrual	16,962	1,258	-	-
	<b>19,038</b>	<b>6,052</b>	-	-
	<b>219,028</b>	<b>224,209</b>	<b>13,150</b>	<b>13,250</b>

Total paid to Missions      2017: \$232,178      2016: \$237,459

## 9. Other Assets

St Hilary's Network operates from a number of properties. The Melbourne Anglican Trust Corporation holds these properties in trust for the Archbishop of Melbourne. Accordingly the properties and some of their contents are not recorded in the accounts of St Hilary's Network.

The properties occupied by St Hilary's Network and held in trust are as follows:

- St Silas Church and halls at the corner of Osburn Avenue and Maud Street, North Balwyn.
- The Vicarage at 16 Osburn Avenue, North Balwyn.
- St Hilary's Church, halls, car park and adjoining buildings at 12 John Street, Kew.
- The Education Centre at 14 John Street, Kew.
- Saunders House at 16 John Street, Kew
- The old vicarage at 40 Alfred Street, Kew.
- St Augustine's - Church, Hall and Kindergarten at the corner of Bundoran and Rostrevor Parades, Mont Albert North
- St Augustine's Vicarage at 38 Bundoran Parade, Mont Albert North.

During 2008/9 a sums insured assessment report was carried out on all properties by Ansvr Insurance. Based upon this advice, adjusted for inflation, the properties and their contents are insured in 2017 for \$19,915,121.

In addition the Parish manages the property known as Camp Cormorant at Pryce Road, corner of Mossop Road Paynesville under a management agreement with the Anglican Diocese of Melbourne. The buildings erected by St Hilary's Network and their associated contents are insured for \$262,161.

## 10. Contingent Liability

There is no contingent liability.

## 11. Events After Reporting Period

There are no unusual events occurring after the reporting period.

# Statement by Church Board

In the opinion of the Church Board

- As stated in Note 1 to the financial statements, the Church is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report.
- The financial statements of the Church present fairly, as required by the *Acts of Synod*, the financial position of the Church as at 30 September 2017 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia to the extent described in Note 1 to the financial statements.
- There are reasonable grounds to believe that the Church will be able to pay its debts as and when they become due and payable.

For and on behalf of the Church Board

By   
Matthew Crichton

By   
Peter Milne

Date: 15 NOV 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HILARY'S ANGLICAN CHURCH KEW

**Report on the Financial Report**

*Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of St Hilary's Anglican Church Kew (the church), which comprises the church board's report, the statement of financial position as at 30 September 2017, the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the board.

In our opinion, the financial report presents fairly, in all material respects, the financial position of St Hilary's Anglican Church Kew as at 30 September 2017 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*Basis for Opinion*

The church board of St Hilary's Anglican Church Kew is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements the Anglican Diocese of Melbourne Parish Governance Act and is appropriate to meet the need of the members. The Church board's responsibility also includes such internal control as the Church board determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist St Hilary's Anglican Church Kew to meet the requirements of members. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

*Church board's Responsibility for the Financial Report*

The church board is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the board and its members. The board's responsibility also includes such internal control as the church board determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

## *Auditor's Responsibility 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 Australian Auditing Standards, we exercise professional judgment 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 management.
- Conclude on the appropriateness of management'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 those charged with governance 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.



Joel Hernandez  
rdl.accountants

16<sup>th</sup> November 2017  
Blackburn, Victoria