

REPORTS & FINANCIAL ACCOUNTS OF

ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED

ABN 99 100 686 039

FOR THE YEAR ENDED

30 JUNE 2019

ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 99 100 686 039
FINANCIAL REPORT - 2019

Contents	Page
Directors' Report	3
Balance Sheet	5
Income Statement	6
Statement of Changes in Equity	7
Cash Flow Statement	7
Notes to the Financial Statements	8
Director's Declaration	13
Auditor's Independence Declaration	14
Independent Auditor Report	15

DIRECTORS' REPORT

Your Directors present their financial report on the Company for the year ended 30 June 2019.

DIRECTORS

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

INFORMATION ON DIRECTORS

Trent Dutton MIES RLP	President, Board Member Rubidium Light Pty Ltd
Greg Willams MIES	Vice President Beca Ltd
Neil Catterall MIES MILP	Company Secretary and Treasurer Think Lighting
Doug Brimblecombe MIES	Director Specialist Lighting Consultant
Scott Forbes MIES RLP	Director Rubidium Light Pty Ltd
Vessi Ivanova MIES RLP	Director Signify
James Lescohier	Director (resigned 14 August 2019) GHD Pty Ltd
Michael (Mick) Reidy	Director (appointed 22 November 2018) (resigned 30 June 2019) Xerolighting
Michael Toth	Director (appointed 22 November 2018) JSB Lighting

BOARD MEETINGS OF DIRECTORS

During the 2018/19 financial year, ten meetings of the Directors were held in total.
Attendance by each Director during the year was as follows:

Meeting Type:	Total	
	No. eligible to attend	No. attended
BOARD MEMBER		
Trent Dutton	10	10
Greg Williams	10	10
Neil Catterall	10	10
Doug Brimblecombe	10	9
Scott Forbes	10	10
Vessi Ivanova Bozdouqanova	10	8
James Lescohier	10	7
Michael (Mick) Reidy	6	2
Michael Toth	6	4

DIRECTORS' REPORT

OPERATING RESULTS

The operating deficit for the year was \$14,990 (2018 deficit \$24,342)

OBJECTIVES

The Company's objectives are to operate in a responsible and financially prudent manner which are as follows:

Long Term

1. Achieve universal recognition in Australia and New Zealand of the importance of quality lighting design and technical advice.
2. Achieve universal recognition in Australia and New Zealand of the importance and value of appropriately qualified lighting professionals.
3. Increase membership by broadening the appeal of the Society to lighting professionals.
4. Strengthen relations and mutual recognition between other lighting societies throughout the world.

Short Term

1. Achieve financial stability and independence for the Society
2. Improve membership awareness of Board and Chapter Management Committee (CMC) activities.
3. Complete Procedures Manual to ensure appropriate application of Constitution at both Board and CMC level.
4. Increase level of services offered to Society members.
5. Raise the profile of the Society among stakeholders.
6. Work closely with the Society's official publisher RALA & encourage all Chapters to utilise RALA in promoting the Society.
7. Establish permanent IESANZ representation on relevant government committees.
8. Review the Society's Lighting Award program
9. Continue to improve the Society's website and Customer Relationship Management system for the benefit of members.

STRATEGY FOR ACHIEVING THE OBJECTIVES

1. Seeking active representation on all Committees drafting relevant standards of lighting practice and equipment
2. Encouraging lighting research in industry, government and educational institutions
3. Developing syllabi and providing lecturers to lightening courses
4. Monitoring legislative and regulatory developments at local, state and national levels
5. Offering awards for meritorious lighting installations and luminaire design excellence
6. Maintaining a professional secretariat led by an experienced Chief Executive Officer

PRINCIPAL ACTIVITIES

The principal activity of the Company is to administer the objectives of the membership of the Illuminated Engineering Society of Australia and New Zealand Limited.

HOW THESE ACTIVITIES ASSIST IN ACHIEVING THE OBJECTIVES

The principal activities of the Company contributed to achieving the objectives by providing a stable base of operations. This ensured the financial stability and generated funds to meet the demands of the Company and maintain high levels of service to members.

DIRECTORS' BENEFITS

No Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial interest.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS.

The financial performance of the Company is measured by regular prepared management accounts reviewed by the Board and Management. A number of KPIs are used to monitor the Secretariat's performance on an annual basis.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration follows and forms part of the Directors' Report for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors:



.....
Trent Dutton - President



.....
Neil Catterall - Treasurer

Dated: 25th day of October

2019

ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 99 100 686 039

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019	2018
CURRENT ASSETS			
Cash	4	207,612	279,779
Term Deposit - G Ewens		39,831	38,416
Receivables	5	101,770	62,112
Prepayment of Expenses		98,795	82,501
TOTAL CURRENT ASSETS		<u>448,007</u>	<u>462,807</u>
NON-CURRENT ASSETS			
Plant & Equipment	6	6,798	8,937
Capitalised Course Development Fees		12,580	-
TOTAL NON-CURRENT ASSETS		<u>19,378</u>	<u>8,937</u>
TOTAL ASSETS		<u>467,385</u>	<u>471,744</u>
CURRENT LIABILITIES			
Payables	7	2,015	33,228
Accrued Income	8	133,028	91,185
TOTAL CURRENT LIABILITIES		<u>135,043</u>	<u>124,412</u>
NON-CURRENT LIABILITIES			
Bequest - G Ewens		29,000	29,000
TOTAL NON-CURRENT LIABILITIES		<u>29,000</u>	<u>29,000</u>
TOTAL LIABILITIES		<u>164,043</u>	<u>153,412</u>
NET ASSETS		<u>303,342</u>	<u>318,332</u>
EQUITY			
Members' Funds		318,913	318,913
Retained Profits		(15,571)	(581)
TOTAL EQUITY	1 (h)	<u>303,342</u>	<u>318,332</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
Revenue from continuing operations	Note 2	659,760	621,754
Expenses from ordinary activities			
Accounting & Management Fees		9,646	4,952
Advocacy Contribution - Lighting Campaign		9,091	-
Amortisation Expense		2,979	2,979
Annual Dinner Expense & Awards		376,910	380,353
Auditor's Remuneration		4,900	4,700
Bank Charges		4,645	7,439
Board Expenses		36,164	35,276
CEO Services		56,666	37,028
Computer & Database Expenses		-	2,081
Filing fees		572	848
Foreign Exchange (Gains)/Losses		(5,321)	(6,073)
Insurance		3,620	1,118
Magazines & Newsletters		28,254	26,901
Membership & Marketing		230	-
Meetings		14,915	19,949
Other Expenses		-	4,596
Postage & Copying		1,422	2,604
Printing & Stationery		11,880	3,524
Rental & Storage		3,947	3,669
Secretariat Fees		104,644	95,121
Standards Travel & Meeting Expenses		2,921	2,914
Subscriptions		117	2,182
Telecommunications		2,014	1,649
Travelling Expenses		1,506	4,434
Website Expenses		3,027	7,854
Total expenses from ordinary activities		<u>674,749</u>	<u>646,096</u>
Surplus/(Deficit) from ordinary activities before related income tax expense		(14,990)	(24,342)
Less income tax expense relating to ordinary activities	3	<u>-</u>	<u>-</u>
Surplus/(Deficit) from ordinary activities after related income tax expense		<u>(14,990)</u>	<u>(24,342)</u>
Total changes in equity		<u><u>(14,990)</u></u>	<u><u>(24,342)</u></u>

The above balance sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2019**

	CONSOLIDATED EQUITY	RETAINED EARNINGS	TOTAL
Balance at 1 July 2017	318,913	23,761	342,674
Deficit for year - 30 June 2018	<u>-</u>	<u>(24,342)</u>	<u>(24,342)</u>
Balance at 30 June 2017	318,913	(581)	318,332
Deficit for year - 30 June 2019	<u>-</u>	<u>(14,990)</u>	<u>(14,990)</u>
Balance at 30 June 2019	<u><u>318,913</u></u>	<u><u>(15,571)</u></u>	<u><u>303,342</u></u>

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and others		666,833	644,874
Payments to suppliers and employees		(725,174)	(562,987)
Interest received		1,009	869
NET CASH PROVIDED BY OPERATING ACTIVITIES	11	<u>(57,332)</u>	<u>82,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for Website Costs		<u>(13,420)</u>	<u>(11,916)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(13,420)</u>	<u>(11,916)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(70,752)	70,840
Cash at beginning of financial year		<u>318,195</u>	<u>247,355</u>
CASH AT END OF FINANCIAL YEAR	4	<u><u>247,443</u></u>	<u><u>318,195</u></u>

The above balance sheet should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the Illuminating Engineering Society of Australia and New Zealand Limited (the Company) as an individual entity. The Company is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of the Company as an individual entity complies 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 Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

BASIS OF PREPARATION

Reporting Basis and Conventions

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.

ACCOUNTING POLICIES

a) Income

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit applicable to non-member income adjusted for expenses allocated against earning that income. Member income is exempt from income tax.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are not brought to account unless there is virtual certainty of the realisation of the benefits.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

There are no assets on lease as at 30 June 2019.

c) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

d) Plant and Equipment

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. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciation rate used for each class of assets are:

Class of fixed assets	Depreciation basis
Website	Straight Line - 25% per annum
Office Equipment	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amount expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

The entity has no employees.

f) Revenue

Membership fees are recognised in the period to which they relate.

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

g) Goods and Services 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.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

h) Members Guarantee

On the winding up of the Company the Constitution states that each member of the company is required to contribute to the Company's assets and amount not exceeding twenty dollars while that person is a member and for a period of one year afterwards.

i) Comparative Figures

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

	2019	2018
2. REVENUE		
Awards/Annual Dinner	414,902	399,932
Registrations and Sponsorships - technical meetings	8,325	8,960
Subscriptions received	234,876	211,400
Newsletter advertising	360	115
Sundry income	287	477
Interest received	1,009	869
	<u>659,760</u>	<u>621,754</u>
3. INCOME TAX EXPENSE		
The prima facie income tax payable on profit from ordinary activities before income tax reconciles to the income tax expense in the financial statements as follows:		
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30%	-	-
Add tax effect of non-deductible expenses	-	-
Less tax effect of non-assessable income	-	-
Tax Expense	<u>-</u>	<u>-</u>
No income tax payable for 2019		
4. CASH		
Cash at bank	178,885	251,176
Cash on deposit	28,727	28,603
	<u>207,612</u>	<u>279,779</u>
5. RECEIVABLES & PREPAYMENTS		
Trade debtors	10,373	1,255
Less Provision for doubtful debts	-	-
Other Debtors	30,719	(400)
Loan receivable - IESANZ Education Ltd	60,678	60,678
Accrued Income	-	579
Prepaid income tax	-	-
	<u>101,770</u>	<u>62,112</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
6. PROPERTY PLANT AND EQUIPMENT		
Website at cost	12,756	11,916
Less Accumulated Amortisation	(5,958)	(2,979)
	<u>6,798</u>	<u>8,937</u>
Office Furniture and Equipment at cost	9,482	9,482
Less Accumulated Depreciation	(9,482)	(9,482)
	<u>-</u>	<u>-</u>
	<u>6,798</u>	<u>8,937</u>
Movements in Carrying Amounts		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial period:		
<u>Website</u>		
Opening WDV	8,937	-
Additions	840	11,916
Disposals	-	-
Amortisation	(2,979)	(2,979)
Closing WDV	<u>6,798</u>	<u>8,937</u>
<u>Office Furniture and Equipment</u>		
Opening WDV	-	-
Additions	-	-
Disposals	-	-
Depreciation	-	-
Closing WDV	<u>-</u>	<u>-</u>
	<u>6,798</u>	<u>8,937</u>
7. PAYABLES		
Creditors & accruals	2,015	33,228
Provision for income tax	-	-
	<u>2,015</u>	<u>33,228</u>
8. OTHER		
IESANZ Education Ltd	(9,835)	4,357
IES North America	8,295	
Income in advance	134,568	86,828
	<u>133,028</u>	<u>91,185</u>
9. REMUNERATION OF KEY MANAGEMENT PERSONNEL (DIRECTORS)		
The names of the Directors who have held office during the financial year were:		
Trent Dutton		
Greg Williams		
Neil Catterall		
Doug Brimblecombe		
Scott Forbes		
Vessi Bozdouqanova		
James Lescohier		
Michael (Mick) Reidy		
Michael Toth		

Other than insurance paid by the Company, which incorporates Directors' and Officer's insurance, the Directors did not receive, or become entitled to receive, any honorarium or fees during the year.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
10. AUDITOR'S REMUNERATION		
Remuneration of the auditor for:		
Audit of the company's financial report	4,900	4,700
Other services	2,700	2,700
	<u>7,600</u>	<u>7,400</u>
11. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX		
Surplus/(Deficit) from ordinary activities after income tax	(14,990)	(24,342)
Non-cash flows in loss from ordinary activities		
Amortisation and depreciation	2,979	2,979
Changes in operating assets and liabilities		
(Increase)/Decrease in receivables	(39,658)	(1,857)
(Increase)/Decrease in prepayments	(16,294)	38,762
Increase/(Decrease) in payables	(31,212)	15,032
Increase/(Decrease) in current tax liability	-	-
Increase/(Decrease) in other liabilities	41,843	52,182
	<u>41,843</u>	<u>52,182</u>
Net cash provided by/(used in) operating activities	<u>(57,332)</u>	<u>82,756</u>

12. SEGMENTAL REPORTING

The Company operates as a professional association within Australia and New Zealand.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at balance date the company has no known contingent liabilities or contingent assets.

15. RELATED PARTY TRANSACTIONS

IESANZ Education Ltd is a subsidiary business of IESANZ Ltd. It is wholly owned by the Society. The management structure is held within the Board – that is, Board Directors of the current Board are also Board Directors for IESANZ Education Ltd.

IESANZ Education Ltd was established to enable the Society to run its Education Programs as a Charity, which provides both financial and management benefits. IESANZ Education Ltd holds a copyright license which allows us to use referenced materials in our course notes.

IESANZ Education Ltd will return funds to IESANZ Ltd until such time as establishment costs are recovered, at which point the organisation will begin to turn a profit and provide income streams for the development of future lighting education programs and support for a wide range of students.

DIRECTOR'S DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 12, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the period ended on that date of the company;
2. in the director's 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.

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



.....
Trent Dutton - President



.....
Neil Catterall - Treasurer

Dated: 25th day of October

2019



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

ABN: 93 466 745 204

Flavio Meoli B.Com., F.C.A.
Sarina Meoli B.Bus., F.C.A.

PO Box 262, BURWOOD NSW 2134
Level 1, 94 Burwood Road, BURWOOD NSW 2134

Telephone: (02) 9744 3034
Facsimile: (02) 9747 3034

ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTIONS 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED**

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

- No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit: and
- No contraventions of any applicable code of professional conduct in relation to the audit.

MEOLI & CO.

Chartered Accountants

Flavio Meoli – Partner BURWOOD Dated 25 OCTOBER 2019

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ILLUMINATING ENGINEERING SOCIETY OF AUSTRALIA AND NEW ZEALAND LIMITED****Opinion**

We have audited the financial report of Illuminating Engineering Society Of Australia And New Zealand Limited ("the Entity") which comprises the balance sheet as at 30 June 2019, income statement, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with management.

In our opinion, the financial report of Illuminating Engineering Society of Australia and New Zealand Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2019 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 Entity in accordance with the auditor independence 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, provided to the directors of Illuminating Engineering Society of Australia and New Zealand Limited for the year ended 30 June 2019, would be in the same terms if provided to the directors as at the date 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.

Responsibilities of Management and Those Charged with Management for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the 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 management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with management are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 management 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 those charged with management 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.



Meoli & Co
Chartered Accountants

Flavio Meoli
Partner

Burwood NSW 2134

Date *25 OCTOBER, 2019*