



Special Purpose Financial Statements

Justice Connect

A.B.N. 54 206 789 276

30 June 2019

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Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2019.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Date of Appointment	Date of Retirement	Position	Directors' Meeting Attendance / Eligible to Attend		
				Board	Nominations Committee	Finance, Audit and Risk Committee
Carmel Mulhern	1 Jul 2013	22 Nov 2018	Board Member	0/2		1/2
Nicky Friedman	1 Jul 2013		Board Member	5/6	5/5	
Gordon Renouf	1 Jul 2013		Board Member	5/6	3/5	
Richard Wilson	1 Jul 2013		Board Member	6/6		4/5
Simon Lewis	26 Jun 2014		Board Member	6/6		4/5
Gillian Triggs	7 Dec 2017		Chairperson	6/6		4/5
David Bardsley	7 Dec 2017		Board Member	4/6		4/5
Tristan Cutcliffe	22 Oct 2018		Board Member	3/5	3/3	

Principal Activities

Justice Connect builds a fairer and better society. We use the law to help people and community groups left behind by an unfair and complicated legal system.

Review of Operations

The year ended 30 June 2019 saw Justice Connect undertake the following key changes:

- Update to the Justice Connect organisational structure
- Review of the membership model
- Scoping of a strategy development process
- Commencement of the Self-representation service pilot for the Supreme and County Courts of Victoria
- Launch of the gateway project
- Partial development of the new CRM

The significant increase in expenses are due to:

- Employee expenses resulting from wage indexation and increase in staff numbers to deliver on contracted funding agreements
- The increases in overall operating costs in line with the increase in revenue

Company Objectives

Our vision is of a world where the law works. Where communities are fairer and stronger, where laws are better, community groups thrive and everyone has a fair chance at a better life.

When people and community groups are not getting the help they need for their legal problems, our community cannot be fair nor strong. We close the justice gap by connecting people and community groups who need help with the lawyers and the legal help they need.

Directors' Report

Company Strategies

We have three core pillars that inform our work:

1. We're closing the justice gap in Australia.
2. We collaborate with the right people and organisations.
3. And we're creative about it.

In short, we understand the power of using the law, of building strong partnerships, and of creative thinking to help close the justice gap.

We make the law work for good

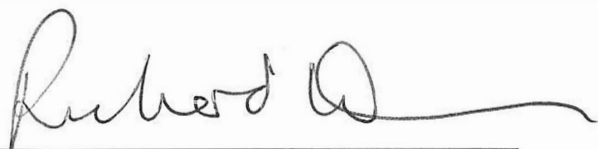
Limitation of Members Liability

If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2019, the collective liability of members was \$480 (2018: \$580).

Auditor's Independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not- for-profits Commission Act 2012 is set out at page 4.

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



Richard Wilson
Director



Simon Lewis
Director

Dated 28 day of October 2019

Auditor's Independence Declaration

To the Directors of Justice Connect

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor of Justice Connect for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 28 October 2019

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	7,357,180	6,667,454
Employee benefits expense		(5,376,292)	(4,784,885)
Occupancy expenses		(702,328)	(661,936)
Administrative expenses		(974,287)	(946,712)
Depreciation expenses		(203,677)	(200,041)
Total Expenses	3	<u>(7,256,584)</u>	<u>(6,593,574)</u>
Surplus/(deficit) for the year		100,596	73,880
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss			
Unrealised gain on investments		2,817	6,325
Total comprehensive income/(loss) for the year		<u>103,413</u>	<u>80,205</u>

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	3,620,203	3,185,974
Trade and other receivables	5	1,106,783	421,866
Total current assets		4,726,986	3,607,840
Non-current assets			
Financial assets through other comprehensive income		193,029	105,210
Property, plant and equipment	6	459,557	602,341
Intangible Assets	7	158,931	1,178
Total non-current assets		811,517	708,729
TOTAL ASSETS		5,538,503	4,316,569
LIABILITIES			
Current liabilities			
Trade and other payables	8	511,154	374,380
Income received in advance	9	2,940,950	2,117,742
Other liabilities	10	10,227	9,533
Provisions	11	526,398	366,803
Total current liabilities		3,988,729	2,868,458
Non-current liabilities			
Other liabilities	10	137,573	134,672
Provisions	11	136,647	141,298
Total non-current liabilities		274,220	275,970
TOTAL LIABILITIES		4,262,949	3,144,428
NET ASSETS		1,275,554	1,172,141
Funds			
Reserves		12,978	10,161
Retained earnings		1,262,576	1,161,980
TOTAL FUNDS		1,275,554	1,172,141

Statement of Changes in Equity

For the year ended 30 June 2019

	Retained Earnings \$	Reserves \$	Total Equity \$
Balance as at 1 July 2017	1,088,100	3,836	1,091,936
Surplus/ (deficit) for the year	73,880	-	73,880
Other comprehensive income	-	6,325	6,325
Total comprehensive income (loss) for the year	73,880	6,325	80,205
Balance as at 30 June 2018	1,161,980	10,161	1,172,141
Balance as at 1 July 2018	1,161,980	10,161	1,172,141
Surplus/(deficit) for the year	100,596	-	100,596
Fair value change through other comprehensive income	-	2,817	2,817
Total comprehensive income (loss) for the year	100,596	2,817	103,413
Balance as at 30 June 2019	1,262,576	12,978	1,275,554

Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from memberships		1,229,986	549,042
Receipts from grants & other funding contributions		5,682,099	6,197,084
Receipts from other sources		529,099	480,670
Payments to suppliers and employees		(6,777,208)	(6,585,869)
Receipts from interest		66,863	60,969
Receipts from investment distributions		7,038	3,544
Net cash provided by/(used in) operating activities	12	<u>737,877</u>	<u>705,440</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(59,717)	(159,200)
Payments for intangibles		(158,931)	-
Payment for purchase of financial assets		(85,000)	(10,500)
Net cash used in investing activities		<u>(303,648)</u>	<u>(169,700)</u>
Net change in cash and cash equivalents held		434,229	535,740
Cash and cash equivalents at beginning of financial year		<u>3,185,974</u>	<u>2,650,234</u>
Cash and cash equivalents at end of financial year	4	<u><u>3,620,203</u></u>	<u><u>3,185,974</u></u>

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of significant accounting policies

General information

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on 28 October 2019 by the directors of the company.

Basis of preparation

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous period unless stated otherwise.

Reporting basis and conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

(b) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Property, plant and equipment

Property, plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is ready for use. The following useful lives are applied:

- Office fixtures and furniture: 10 years
- Computer equipment: 3-4 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to profit or loss as part of the profit or loss on disposal.

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(d) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Included in the 2019 employee entitlements is a provision for parental leave of \$162,284 (2018 \$100,633). Pursuant to Australian Accounting Standard AASB 119 Employee Benefits, parental leave is a non-accumulating paid absence that should only be recognised when the absences occur. The recognition of the provision for parental leave is a departure from AASB 119. The directors have resolved that it is prudent and desirable to provide for future parental leave as required due to the nature of the business and its gender composition and age of its workforce.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised.

(i) Grant revenue

Grants are treated as unexpended grants in the statement of financial position where there are conditions attached to the grant revenue relating to the use of these grants for specific purposes. It is recognised in the statement of financial position as a liability until such conditions are met or services provided. Once the conditions are met and the services provided, the amount is included as revenue in profit or loss. When there is a non reciprocal transfer, grants are recognised as income when the entity obtains control or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the grant can be measured reliably.

(i) Membership revenue

Revenue from members' subscriptions is recognised on a time proportionate basis that takes into account the period of the subscription.

(ii) Donation revenue

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as income in advance in the statement of financial position until such time as that purpose is fulfilled.

(iii) Interest revenue

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

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(f) Investments

AASB 9 replaces the provision of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities and the derecognition of financial instruments. It requires financial assets to be classified into three measurement categories: those measured at fair value, those measured at amortised cost and those measured at fair value through Other Comprehensive Income. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Under AASB 9, the definition of "equity like investments" has narrowed and investments in managed funds where the fund has a limited life, no longer qualify as "equity like investments". In these circumstances, AASB 9 requires investments in managed funds to be accounted for at fair value through Profit or Loss.

The directors have resolved to depart from the requirements of AASB 9 in these circumstances and have elected to account for the company's investment in managed funds at fair value through Other Comprehensive Income. For the 2019 year the impact is to record an unrealised gain on investments of \$2,817 (2018: \$6,325) in Other Comprehensive Income rather than as part of the surplus/(deficit) for the year. Total Comprehensive Income remains unchanged.

(g) Provisions

Provisions are recognised when the company 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 the outflow can be reliably measured.

(h) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses over the lease term.

Australian Accounting Standard AASB 117 Leases and Australian Accounting Interpretation 115 Operating Leases - Incentives requires that the total cost of an operating lease, after taking into account any incentives and known escalations, be measured and straight-lined over the lease term unless there is another systematic basis which is more representative of the time pattern of the user's benefit.

(i) 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 statement of financial position are shown inclusive of GST.

(j) Comparative Figures

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

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(k) Intangibles

(i) Acquired intangible assets

Acquired software is capitalised on the basis of the costs incurred to acquire and install the specific software.

(ii) Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing as described in Note 1 (l). The following useful lives are applied:

- software: 5 years

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(iii) Internally developed software

Expenditure on the research phase of projects to develop new customised software systems is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the availability of adequate resources to complete the project
- the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

(iv) Subsequent measurement

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note (l). The following useful lives are applied:

- software: 5 years

(l) Impairment of assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Notes to the financial statements

For the year ended 30 June 2019

1. Statement of significant accounting policies (continued)

(m) Critical accounting estimates and judgements

In the process of applying the company's accounting policies, management has made the following judgements and estimates which have had the most significant effect on the amount recognised in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

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

Key estimates

(i) Provision for make good of lease premises

A provision of \$85,640 (2018: \$79,400) has been recognised to make good the premises under lease.

(ii) Provision for parental leave

A provision of \$162,284 (2018 \$100,633) has been recognised for parental leave.

No other significant critical judgements or accounting estimates have been made during the year.

(n) New accounting standards and interpretations not yet applicable

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, effective for annual reporting periods beginning on or after 1 January 2019. When the new standards are adopted for the year ending 30 June 2020, they are unlikely to have any significant impact on the entity. The entity is yet to undertake a detailed assessment of the impact of AASB 15 and AASB 1058. However, based on the entity's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when is first adopted for the year ending 30 June 2020.

(ii) Effective 1 July 2019 the Company will adopt AASB 16 Leases, replacing AASB 117 Leases. The adoption of this new Standard in the 2020 financial year will result in the Company recognising a right-of-use asset and related lease liability in connection with its operating leases. The new standard will be applied using the modified retrospective approach. At initial application the Company elected to measure the right-of-use asset at an amount equal to the lease liability. The cumulative effect of adopting AASB 16 will be recognised in equity as an adjustment. Prior periods will not be restated.

On July 1 the company will recognise a right-of-use asset of \$1,842,047, a lease liability of \$2,082,494 and cease to recognise the previous lease incentive liability of \$147,800. This will result in an adjustment (reduction) to equity of \$92,648.

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
2. Revenue		
Grants	5,754,609	5,224,151
Membership	603,036	568,367
Fundraising Income - events	85,979	159,456
Training income	310,556	170,296
Overhead recovered	473,751	367,628
Investment income	73,901	64,514
Other income	55,348	113,042
Total revenue	<u>7,357,180</u>	<u>6,667,454</u>
3. Auditor remuneration		
Auditors remuneration for audit of the financial report	<u>17,250</u>	<u>18,123</u>
4. Cash and cash equivalents		
Cash on Hand	761	519
Cash at Bank	3,619,442	3,185,455
	<u>3,620,203</u>	<u>3,185,974</u>
5. Trade and other receivables		
Current		
Trade receivables	898,490	280,455
Accrued income	48,338	1,071
Other receivables	69,547	69,317
Prepayments	90,408	71,023
	<u>1,106,783</u>	<u>421,866</u>
<p>During the period membership invoices for the 2019/2020 financial year were issued and were outstanding at the end of the period.</p>		
6. Property, plant and equipment		
Office fixtures and furniture - at cost	866,076	860,383
Accumulated depreciation	<u>(538,237)</u>	<u>(397,890)</u>
	327,839	462,493
Computer Equipment - at cost	257,371	291,510
Accumulated depreciation	<u>(125,653)</u>	<u>(151,662)</u>
	131,718	139,848
Total property, plant & equipment	<u>459,557</u>	<u>602,341</u>

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$	2018 \$
7. Intangible Assets		
Software at cost	262,923	103,992
Less accumulated amortisation	(103,992)	(102,814)
	<u>158,931</u>	<u>1,178</u>
8. Trade and other payables		
Current		
Trade payables	323,110	297,387
Other payables and accruals	188,044	76,993
	<u>511,154</u>	<u>374,380</u>
9. Income Received in Advance		
Grants received in advance	2,282,228	2,078,762
Membership renewals billed in advance	626,950	-
Training fees received in advance	31,772	38,980
	<u>2,940,950</u>	<u>2,117,742</u>
During the period membership invoices for the 2019/2020 financial year were issued.		
10. Other Liabilities		
Current		
Lease straightlining	10,227	-
Rent free period benefit	-	9,533
	<u>10,227</u>	<u>9,533</u>
Non-current		
Lease straightlining	137,573	134,672
Rent free period benefit	-	-
	<u>137,573</u>	<u>134,672</u>
11. Provisions		
Current		
Employee benefits	526,398	366,803
Non-current		
Make good provision	85,640	79,400
Employee benefits	51,007	61,898
	<u>136,647</u>	<u>141,298</u>

Notes to the financial statements

For the year ended 30 June 2019

	2019	2018
	\$	\$
12. Cash flow information		
Reconciliation of cash and cash equivalents		
Cash on hand	761	519
Cash at bank	3,619,442	3,185,455
	3,620,203	3,185,974
Reconciliation of surplus/(deficit) to net cash flows from operating activities		
Surplus/(deficit) for the year:	80,276	73,880
Non-cash flows in profit		
Amortisation of rent free period benefit	(9,533)	(28,600)
Depreciation and amortisation	203,677	200,041
Amortisation of lease straightline liability	13,128	48,740
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(684,917)	(38,923)
Increase/(decrease) in trade and other payables	157,094	(215,796)
Increase/(decrease) in income received in advance	823,208	654,357
Increase/(decrease) in provisions	154,944	11,741
Net cash provided by/(used in) operating activities	737,877	705,440

13. Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

Payable - minimum lease payments		
- not later than 12 months	589,689	566,334
- between 12 months and 5 years	1,628,843	2,218,532
Total operating lease commitments	2,218,532	2,784,866

13. Limitation of members liability

If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2019, the collective liability of members was \$480 (\$580 as at 30 June 2018).

Notes to the financial statements

For the year ended 30 June 2019

14. Subsequent Events

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

15. Company details

The registered office of Justice Connect is:

Level 17, 461 Bourke Street
Melbourne VIC 3000

The principal place of business of Justice Connect are:

Level 17, 461 Bourke Street	Level 5, 175 Liverpool Street
Melbourne VIC 3000	Sydney NSW 2000

This special purpose financial report covers Justice Connect as an individual entity. The special purpose financial report is presented in the Australian currency.

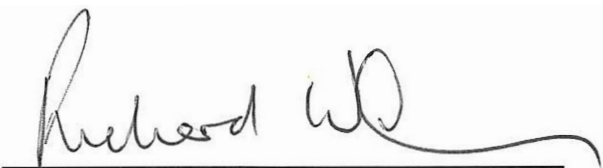
Directors' declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

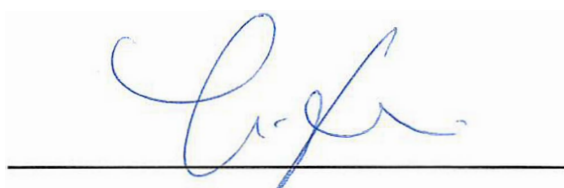
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 17, present fairly the company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
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.

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



Richard Wilson
Director



Simon Lewis
Director

Dated 28 day of October 2019

Independent Auditor's Report

To the Members of Justice Connect

Report on the audit of the financial report

Opinion

We have audited the financial report of Justice Connect (the "Company"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Justice Connect has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2019 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- b complies with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 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 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the requirements of the ACNC Act. The Directors' responsibility also includes 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, 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 has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



E W Passaris
Partner – Audit & Assurance

Melbourne, 28 October 2019