

# **Manly Warringah Basketball Association Limited**

**ABN 18 003 482 835**

**Financial Statements**

**For the Year Ended 31 December 2017**

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# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

31 December 2017

## DIRECTORS' REPORT

Your directors present their report on the Association for the financial year ended 31 December 2017.

### Directors

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

Owen Glendower Evans	Steven Ramage
Phillip James Smith	Scott Richmond
Jennifer Margaret Saggus	Lynne Ibbotson
Ronald Russell Kendall	Sonia Miller (Appointed on 27 April 2017)
Brian Chapman	

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

### Principal Activities

The principal activities of the Association during the financial year were the conduct and promotion of basketball. No significant change in the nature of these activities occurred during the year.

### Information on Directors

Owen Glendower Evans	– Director (Chair)
	– Member since 2005
Phillip James Smith	– Director
	– Member since 2000
Jennifer Margaret Saggus	– Financial Director
	– Member since 2004
Ronald Russell Kendall	– Director
	– Member since 2005
Brian Chapman	– Director
	– Member since 2008
Steven Ramage	– Director
	– Member since 2011
Scott Richmond	– Director
	– Appointed on 1 August 2015
Lynne Ibbotson	– Director
	– Appointed on 13 November 2015
Sonia Miller	– Director
	– Member since April 2017

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

31 December 2017

## DIRECTORS' REPORT (continued)

### Meetings of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Director's Meetings	
	Number eligible to attend	Number attended
Owen Glendower Evans	9	9
Philip James Smith	9	2
Jennifer Margaret Saggus	9	9
Ronald Russell Kendall	9	8
Brian Chapman	9	7
Steven Ramage	9	4
Scott Richmond	9	8
Lynne Ibbotson	9	5
Sonia Miller	6	4

### Association Secretary

The following person held the position of secretary at the end of the financial year.

Name: Ronald Russell Kendall

### Operating Results

The profit of the Association after providing for income tax amounted to \$13,753 (2016: \$80,243).

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out at page 4.

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

Director:   
~~Jennifer Saggus~~  
BRIAN CHAPMAN

Director:   
Owen Glendower Evans

Dated this 12<sup>th</sup> day of April 2018

Dated this 12<sup>th</sup> day of April 2018

12 April 2018

The Board of Directors  
Manly Warringah Basketball Association Limited  
Northern Beaches Indoor Sports Centre  
Jacksons Road Warriewood

Dear Board Members

**MANLY WARRINGAH BASKETBALL ASSOCIATION LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Manly Warringah Basketball Association Limited.

As lead audit partner for the audit of the financial report of Manly Warringah Basketball Association Limited for the financial year ended 31 December 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**CROWE HORWATH SYDNEY**



**ASH PATHER**

Partner

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2017

	Note	2017	2016
		\$	\$
Revenue	2	1,431,043	1,376,443
Employee benefits expense		(245,788)	(221,320)
Court and tournament expense		(769,208)	(591,427)
Canteen expense		(18,805)	(9,201)
BNSW registration		(145,465)	(140,772)
Depreciation and amortisation expense	2	(41,307)	(41,041)
Finance charges		(7,447)	(7,249)
Other operating expenses		(189,270)	(285,190)
<b>Profit before income tax</b>	2	<b>13,753</b>	<b>80,243</b>
Income tax expense		-	-
<b>Profit for the year</b>		<b>13,753</b>	<b>80,243</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>13,753</b>	<b>80,243</b>

The accompanying notes form part of these financial statements

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	139,926	94,830
Trade and other receivables	4	7,913	3,827
Inventory		573	574
Other assets	5	25,728	14,364
TOTAL CURENT ASSETS		174,140	113,595
NON-CURRENT ASSETS			
Other assets	5	192,027	215,909
Property, plant and equipment	6	34,839	27,749
Intangible assets	7	306,346	344,808
TOTAL NON-CURRENT ASSETS		533,212	588,466
TOTAL ASSETS		707,352	702,061
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	16,219	20,455
Provisions	9	20,526	17,085
TOTAL CURRENT LIABILITIES		36,745	37,540
NON-CURRENT LIABILITIES			
Provisions	9	3,681	11,348
TOTAL NON-CURRENT LIABILITIES		3,681	11,348
TOTAL LIABILITIES		40,426	48,888
NET ASSETS		666,926	653,173
<b>EQUITY</b>			
Retained earnings		666,926	653,173
TOTAL EQUITY		666,926	653,173

The accompanying notes form part of these financial statements

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## STATEMENT OF CHANGES IN EQUITY

As at 31 December 2017

	Retained Earnings \$	Total \$
<b>2017</b>		
Balance at 1 January 2017	653,173	653,173
Profit attributable to the Association	13,753	13,753
<b>Balance at 31 December 2017</b>	<u>666,926</u>	<u>666,926</u>
<b>2016</b>		
Balance at 1 January 2016	572,930	572,930
Profit attributable to the Association	80,243	80,243
<b>Balance at 31 December 2016</b>	<u>653,173</u>	<u>653,173</u>

The accompanying notes form part of these financial statements



# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,563,822	1,508,884
Payments to suppliers and employees		(1,510,117)	(1,617,449)
Interest received		1,326	3,187
Net cash provided by/(used in) operating activities	10	<u>55,031</u>	<u>(105,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for equipment's		(9,935)	(24,166)
Payments for intangibles		-	(350,000)
Net cash used in investing activities		<u>(9,935)</u>	<u>(374,166)</u>
Net increase/(decrease) in cash held		45,096	(479,544)
Cash at the beginning of the financial year		94,830	574,374
Cash at the end of the financial year	3	<u><u>139,926</u></u>	<u><u>94,830</u></u>

The accompanying notes form part of these financial statements

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2017

### Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* 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 the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

#### Accounting Policies

##### (a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Donations and bequests are recognised as revenue when received. Revenue from the rendering of a service is recognised when invoiced. Interest revenue is recognised when received.

All revenue is stated net of the amount of goods and services tax (GST).

##### (b) Income Tax

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

##### (c) Comparative Figures

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

When an Association applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

### Note 1: Statement of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

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

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of the acquisition.

(f) Plant and Equipment

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

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these 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.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Basketball equipment	Prime Cost	7.5% - 25%
Office equipment	Prime Cost	5% - 40%

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

### Note 1: Statement of Significant Accounting Policies (continued)

#### Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (g) Impairment of Assets

At each reporting date, the Association reviews 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 the statement of comprehensive income.

#### (h) 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.

#### (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 balance sheet are shown inclusive of GST.

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

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

### Note 1: Statement of Significant Accounting Policies (continued)

#### (j) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year (long service leave) have been measured at the net present value.

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

#### (k) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

#### (l) Intangibles

##### Right to use NBISC stadium

The right to use the NBISC stadium is recorded at cost less accumulated amortisation and impairment losses. Directors have estimated the useful life of the right to be 20 years. It is assessed annually for impairment.

At the end of 2013, the lease agreement of NBISC was extended for further 6 years, and the new expiry is 30 June 2026. As a result, the amortisation of the net carrying asset has been adjusted accordingly.

The Association receives non-reciprocal contributions from other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

### Note 1: Statement of Significant Accounting Policies (continued)

#### (m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

*Key estimates* – Useful life of the NBISC asset.

The directors have assessed that the useful life of the NBISC remaining asset balance is until 30 June 2026. The estimated life is based on the extended lease period of the NBISC.

#### (n) Adoption of New and Revised Accounting Standards

The Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current reporting period.

#### (o) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 31 December 2017. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

#### (p) Going Concern

The financial statements have been prepared on a going concern as in the opinion of the directors of Association, the Association and will be able to generate positive and adequate operating cash flow to meet the Association's operating requirements and capital expenditure needs and repay debts and fulfil its financial obligations when they fall due in the foreseeable future in the foreseeable future.

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>NOTE 2: PROFIT BEFORE INCOME TAX</b>		
<b>Revenue</b>		
Registrations	243,611	240,537
Canteen sales	25,695	9,810
Playing fees	713,089	651,520
Other	423,120	324,308
Grant income	24,211	147,081
Interest income	1,326	3,187
	<u>1,431,043</u>	<u>1,376,443</u>
<b>Expenses</b>		
Depreciation	2,845	2,579
Amortisation	38,462	38,462
Total Depreciation and amortisation expense	<u>41,307</u>	<u>41,041</u>
Remuneration of auditor	9,800	9,500
Superannuation expense	18,031	16,095
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	1,727	1,677
Cash at bank	113,013	66,343
Term deposits	25,186	26,810
	<u>139,926</u>	<u>94,830</u>
<b>NOTE 4: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	9,270	5,184
Less: provision for doubtful debts	(1,357)	(1,357)
	<u>7,913</u>	<u>3,827</u>
<b>NOTE 5: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	22,728	11,364
Deposits	3,000	3,000
	<u>25,728</u>	<u>14,364</u>
<b>NON-CURRENT</b>		
Prepayments	192,027	215,909
	<u>217,755</u>	<u>230,273</u>

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>BASKETBALL EQUIPMENT</b>		
At cost	58,828	58,828
Less: accumulated depreciation	(41,513)	(40,350)
Total basketball equipment	<u>17,315</u>	<u>18,478</u>
<b>OFFICE EQUIPMENT</b>		
At cost	51,753	41,818
Less: accumulated depreciation	(34,229)	(32,547)
Total office equipment	<u>17,524</u>	<u>9,271</u>
Net carrying amount	<u>34,839</u>	<u>27,749</u>
<b>NOTE 7: INTANGIBLE ASSETS</b>		
NBISC Stadium – rights to use	450,661	450,661
Less: accumulated amortisation	(144,315)	(105,853)
	<u>306,346</u>	<u>344,808</u>
<b>NOTE 8: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade payables	424	6,349
Accruals	8,700	8,700
Other payables	7,095	5,406
	<u>16,219</u>	<u>20,455</u>
<b>NOTE 9: PROVISIONS</b>		
<b>CURRENT</b>		
Provisions for long service leave	<u>20,526</u>	<u>17,085</u>
<b>NON-CURRENT</b>		
Provisions for long service leave	<u>3,681</u>	<u>11,348</u>



# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>NOTE 10: CASH FLOW INFORMATION</b>		
Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	13,753	80,243
Cash flows excluded from profit attributable to operating activities:		
Non-cash flows in profit		
Depreciation and amortisation	41,307	41,041
Changes in assets and liabilities:		
(Increase) / decrease in trade receivables	(4,085)	(652)
(Increase) / decrease in other receivables	-	(2,950)
(Increase) / decrease in prepayments	12,518	(227,273)
Increase / (decrease) in trade payables and accruals	(4,236)	917
Increase / (decrease) in employee entitlements	(4,226)	3,296
Cash flows provided/(used in) by operating activities	55,031	(105,378)

### NOTE 11: COMMITMENT

The Association has no commitments as at 31 December 2017 (2016: NIL).

### NOTE 12: CONTINGENT LIABILITIES

At balance date of 31 December 2017, the Association provided a guarantee for a loan amounted to \$566,997 (2016: Nil) borrowed by a related party of the Association from a financial institution.

### NOTE 13: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2017

### NOTE 14: MEMBERS GUARANTEE

The Association is incorporated under the *Corporations Act 2001* and is an Association limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Association. At 31 December 2017 the number of members was 23.

### NOTE 15: ASSOCIATION DETAILS

Registered office and the principal place of business is:

Manly Warringah Basketball Association

Northern Beaches Indoor Sports Centre

Jacksons Road, Warriewood NSW 2102

# Manly Warringah Basketball Association Limited

ABN 18 003 482 835

## DIRECTORS' DECLARATION


The directors have determined that the Association 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 Association declare that:

1. The financial statements and notes, as set out on pages 5 to 17 are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

Director:   
~~Jennifer Saggus~~  
BRIAN CHAPMAN

Director:   
Owen Glendower Evans

Dated this 12<sup>th</sup> day of April 2018

Dated this 12<sup>th</sup> day of April 2018

## Manly Warringah Basketball Association Limited

### Independent Auditor's Report to the Members of Manly Warringah Basketball Association Limited

#### Opinion

We have audited the financial report of Manly Warringah Basketball Association Limited (the "Association"), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 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 Association in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of Matter – Basis of Accounting

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

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2017, 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 Association are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Association 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 Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

*Ash Pather*

**ASH PATHER**  
Partner

Dated at Sydney this 12<sup>th</sup> day of April 2018