



**SHINING THE LIGHT OF  
LOVE, JUSTICE AND HOPE IN OUR WORLD**

## **ANNUAL REPORT**

OCTOBER 2017 - SEPTEMBER 2018

**MANY ROOMS LTD  
ABN: 51 850 896 155**

**CITY  
ON A HILL**

## FROM THE CHAIR

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In many ways this year has been characterised by building new foundations as Many Rooms has made significant steps to follow City on a Hill's national footprint:

- There was a successful and smooth transition to a new national structure have been answered in full with Many Rooms Ltd now established under the guidance and support of City on a Hill Movement Ltd. This structure has enabled Many Rooms not only to develop and nourish its existing relationships and partnership in Melbourne, but now to branch out and build the same in Geelong and Brisbane;

- Likewise we have welcomed Amanda as our National Director and seen her love, energy, and enthusiasm for mercy ministry, infuse every aspect of Many Rooms. It has been a pleasure for the board to work with Amanda and develop together, our shared vision of the potential of Many Rooms throughout the cities of City on a Hill and globally via Compassion; and

- We also welcomed Brett Mawdsley and (welcomed back!) Chris Griffioen as inaugural board members (with thanks to Craig Mawdsley's brief stint on the board to support its inception). Brett and Chris bring tremendous insight and experience to our Board and have provided a steady and effective presence to our deliberations and leadership.

Over this last year, Many Rooms has been able to build and define its identity and mission in mercy activity across City on a Hill and beyond. We are an organisation known by its participants and over 15 partners we work with for creating places of trust, safety, dignity and care. This is something which seems distinctive in the charitable landscape. From our care-packs which communicate thoughtfulness and care before we even meet a new member of our community, to our kitchens where weekly our volunteers transform simple venues into places of nourishment and warmth, to our work to strengthen communities through CAP Money in Geelong, to our global impact through Compassion, Many Rooms displays a merciful, welcoming heart. As a board, we look forward to growing opportunities to express our grace, in partnership with each location of City on a Hill, cities, and organisations.

Finally, let me also make special mention of Jim Davison's long-standing service to the Saturday Kitchen. As another of the original 'crew', Jim stayed the course of Many Rooms over many years, cultivating, nurturing, and caring for the Many Rooms vision, and more importantly, sharing life week-in, week-out, with our wonderful participants, forming strong bonds of trust and mutual friendship. We are so thankful for Jim's service, and also to Jim's wife (and founding Many Rooms member), Fleur, for her and the kids sacrificially sharing of Jim with the Kitchen community so often on a Saturday.

**Simon Angus**  
Chairman

## FROM THE NATIONAL DIRECTOR

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It has been a big year for Many Rooms, with my first full year of service, we have seen growth and expansion, as well as a few changes. We have moved from Many Rooms Inc. to Many Rooms Ltd and as the charitable arm of City on a Hill, we now work nationally. We have also welcomed a new Governance Board, chaired by Simon Angus.

The most important things remain the same, our incredible partners, supporters and volunteers, their support, care, consideration and love for those we serve is the very heart of this organisation.

## Kitchens



**Jim Davison at his farewell with participant, Lynne**

Although there has been an element of business as usual at our existing Kitchen services, we have begun to see some exciting new projects start up within them:

- At the Friday kitchen, there has been the addition of a weekly 'conversation table'. Participant-led, they discuss various topics, ensuring that everyone at the table has an equal voice and is heard. For those who are socially isolated, this is a big step. We have witnessed a deepening sense of belonging and community as a result.

- Two groups of our volunteers have also participated in winter 'Street Sleeps', gaining insights into the life of a rough sleeper. This experience continues to cultivate their understanding of, and

relationships with those we serve at the Many Rooms Kitchens.

After eight years of service, Saturday Kitchen Manager, Jim Davison bid us farewell. We are thankful for his many years of service, and that he continues to volunteer at the Many Rooms Saturday Kitchen. In August 2018, we welcomed Stuart Eban to the official role of Saturday Kitchen Coordinator.

## Care Pack Initiative



**Friday kitchen Coordinator, Judith Pallesen, receiving the Local Leader Grant for the ManyRooms Hospital Helper care packs.**

We have continued to give out our care packs through our kitchen services and existing partners: Cohealth, WIRE, Sacred Heart, and Flagstaff Crisis Accommodation. However, this year have also increased the scope of our Care Pack Initiative with concrete plans to expand into Geelong, Brisbane, and greater Melbourne. We have also increased our distribution through Bridge Centre and Footscray Hospital with our new Hospital Helper Pack.

## Expansion in Geelong



**The Many Rooms/CAP Money team in Geelong.**

We are commencing new Rooms in Brisbane and Geelong in the upcoming year. Volunteer Team Leaders in both locations have been appointed and have formed core teams. These teams are currently researching and planning potential new rooms which will sustainably fill the gaps in the welfare system and their local communities.

As part of this process, Many Rooms Geelong has partnered with Christians Against Poverty (CAP). In July, they were trained to facilitate their new room; the 'Many Rooms/CAP Money' room. Financial stress continues to grow in our communities due to the increasing cost of living. Through CAP Money resources, we will be providing a course that teaches and coaches those who need it most, how to better manage money and avoid debt.

## Corporate Breakfast



**Simon Angus, Guy Mason, Councillor Beverley Pinder, Rev. Tim Costello and Amanda Warrick at the Corporate Breakfast.**

In September, we held our inaugural Many Rooms Corporate Breakfast. With thanks to keynote speaker, Rev. Tim Costello OAM and Councillor Beverley Pinder from the City of Melbourne, we cultivated and created relationships with a new audience. We were able to showcase the work of Many Rooms to raise awareness and funds for the homeless and disadvantaged in our community.

Many Rooms has some very generous partners, supporters and volunteers. To our major partner, City of Melbourne, we thank you for your ongoing confidence and support of this work.

To City on a Hill, you truly are the heart and soul of Many Rooms and continually 'Shine the light of love, justice, and hope in our world'.

I look forward to seeing what we can achieve together in 2018/19.

**Amanda Warrick**  
National Director





## ANNUAL REPORT 2017 - 2018

### SERVICES



**8600**

MEALS  
SERVED



**1080**

CARE PACKS  
COLLECTED



**418**

CHILDREN  
SPONSORED  
THROUGH  
COMPASSION

### FINANCES

**\$213,256**

REVENUE



8% FUNDRAISING  
24% GRANTS  
68% DONATIONS

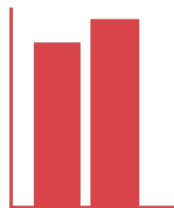
### VOLUNTEERS



**170** ACTIVE  
VOLUNTEERS

=

**6050**  
VOLUNTEER  
HOURS



**13%**  
INCREASE  
IN VOLUNTEERS  
SINCE 2017

**\$62,900**

WORTH OF  
IN-KIND  
GIFTS AND  
SERVICES



### EVENTS

**2** FUNDRAISING  
EVENTS



CORPORATE  
BREAKFAST

MOVIE  
NIGHT



**2** STREET  
SLEEPS

### THANKS TO THE SUPPORT AND CONTRIBUTIONS OF:

Boss Executive Security  
City of Melbourne  
City on a Hill  
Compassion Australia  
Foodbank Victoria  
Local Leaders Grant  
Multicultural Hub (AMES)  
North Melbourne Community Centre



# FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

**MANY ROOMS LTD**

PUBLIC COMPANY LIMITED BY GUARANTEE - PUBLIC  
BENEVOLENT INSTITUTION

ABN: 51 850 896 155

## TABLE OF CONTENTS

---

DIRECTORS' REPORT .....	3
AUDITOR'S INDEPENDENCE DECLARATION .....	5
STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME.....	6
STATEMENT OF FINANCIAL POSITION.....	7
NOTES TO THE FINANCIAL STATEMENTS .....	8
DIRECTORS' DECLARATION.....	14
INDEPENDENT AUDIT REPORT.....	15



# MANY ROOMS LTD

## DIRECTORS' REPORT

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### FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Directors present their report on Many Rooms Ltd for the financial year ended 30 September 2018.

#### General Information

Many Rooms Ltd is registered as a Company limited by guarantee since 4 January 2018. Prior to this date, many Rooms Ltd was registered as an incorporated association on 16 October 2013 but was deregistered thereafter on 4 January 2018.

#### Directors

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

<b>Names</b>	<b>Position</b>
Simon Angus	Chairperson
Brett Mawdsley	Director (appointed 30 January 2018)
Craig Mawdsley	Director (resigned 30 April 2018)
Cornelius Griffieon	Director

Directors have been in office since company registration date to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of Many Rooms Ltd during the financial year was to provide benevolent relief to the homeless, the marginalised, the poor, the lost, the sick and the forgotten members of our society.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Short term objectives

The Company's short term objectives are to:

1. Show love unconditionally, sacrificially, and mercifully to those in need, by the provision of practical assistance or services such as food, shelter, education, rehabilitation, counselling, skills training, fellowship, friendship, and care; and
2. Undertake any other activities that are incidental or ancillary to the above purposes.

#### Members Guarantee

Many Rooms Ltd is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting the outstandings and obligations of the Company. At 30 September 2018 the number of members was 1.

## DIRECTORS' REPORT *CONTINUED*

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

### Meetings of directors and finance committee

During the financial year, 3 meetings of directors and 4 meetings of the finance committee were held. Attendances by each director and committee member during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Simon Angus	3	3
Brett Mawdsley	2	2
Craig Mawdsley	2	2
Cornelius Griffieon	3	3

	Finance Committee Meetings	
	Number eligible to attend	Number attended
Ryan Hansen	4	4
Craig Mawdsley	4	4
Richard Jackson	4	3
Ian Scarborough	4	4
	Non-voting Members	
Peter Hill	4	4

## Auditor's independence declaration

The auditor's independence declaration in accordance with *Australian Charities and Not-For-Profits Commission Act 2012* for the year ended 30 September 2018 has been received and can be found on Page 5 of the financial report.

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

  
Simon Angus – Director

  
Brett Mawdsley – Director

Dated on **15 Nov 2018**

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF MANY ROOMS LTD.

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

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA  
rdl.accountants

15 November 2018  
Blackburn, Victoria

# MANY ROOMS LTD

## STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

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**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Revenue	4	213,256	130,681
Interest income		64	104
<b>Total Revenue</b>		<b>213,320</b>	<b>130,785</b>
<b>Expenses</b>			
Programs and services		40,638	29,584
Occupancy		30,950	36,546
Operations		23,725	5,566
Depreciation expense		426	-
Staffing		149,932	79,876
<b>Total Expenses</b>		<b>245,671</b>	<b>151,572</b>
<b>Net Profit/(Loss)</b>		<b>(32,351)</b>	<b>(20,787)</b>

These Financial Statements should be read in conjunction with the accompanying notes.

# MANY ROOMS LTD

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	52,450	104,653
Trade and other receivables	6	34,202	-
GST receivable	7	1,975	5,416
<b>Total Current Assets</b>		<b>88,627</b>	<b>110,069</b>
<b>Non-current Assets</b>			
Property, plant and equipment	8	289	715
<b>Total Non-current Assets</b>		<b>289</b>	<b>715</b>
<b>Total Assets</b>		<b>88,916</b>	<b>110,784</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	5,918	12,731
PAYG withholding payable	10	3,149	-
Employee benefits	11	7,001	9,955
Unearned revenue	12	17,101	-
<b>Current Liabilities</b>		<b>33,169</b>	<b>22,686</b>
<b>Total Liabilities</b>		<b>33,169</b>	<b>22,686</b>
<b>Net Assets</b>		<b>55,747</b>	<b>88,098</b>
<b>Equity</b>			
Current year earnings		(32,351)	(20,787)
Retained earnings		88,098	108,885
<b>Total Equity</b>		<b>55,747</b>	<b>88,098</b>

These Financial Statements should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

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### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 1 Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its 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 Australian 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 have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

#### 2 Summary of Significant Accounting Policies

##### (a) Income Tax

The entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

##### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Other income is recognised on an accruals basis when the Entity is entitled to it.

##### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is recorded as an independent asset or liability in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

## FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 2 Summary of Significant Accounting Policies *Continued*

#### (d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Plant and equipment

Plant and equipment are carried at cost.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Entity, commencing when the asset is ready for use.

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

Fixed Asset Class	Depreciation Rate
Plant & Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Employee benefits

Provision is made for the Entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.



## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

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### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 2 Summary of Significant Accounting Policies *Continued*

##### (g) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Entity has decided not to early adopt these Standards.

#### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

The Entity assesses impairment at the end of each reporting period by evaluating conditions specific to the Entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### **Key estimates - employee benefits**

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# MANY ROOMS LTD

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 4 Revenue

	2018 \$	2017 \$
Donations	144,849	44,286
Grants	50,550	66,082
Other fundraising	17,857	20,313
	<u>213,256</u>	<u>130,681</u>

#### 5 Cash and cash equivalents

Cash at bank	52,450	104,653
	<u>52,450</u>	<u>104,653</u>

#### 6 Trade and other receivables

Grants receivable	34,202	-
	<u>34,202</u>	<u>-</u>

#### 7 GST receivable

GST receivable	1,975	5,416
	<u>1,975</u>	<u>5,416</u>

#### 8 Property, plant and equipment

Equipment at cost	715	715
Less accumulated depreciation	(426)	-
	<u>289</u>	<u>715</u>

# MANY ROOMS LTD

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 9 Trade and other payables

	2018 \$	2017 \$
Trade payables	2,791	12,731
Other payables	3,127	-
	<u>5,918</u>	<u>12,731</u>

#### 10 PAYG withholding payable

PAYG withholding payable	3,149	-
	<u>3,149</u>	<u>-</u>

#### 11 Employee benefits

Annual leave entitlement	6,766	9,650
Fringe benefits	235	305
	<u>7,001</u>	<u>9,955</u>

#### 12 Unearned revenue

Grant revenue received in advance	17,101	-
	<u>17,101</u>	<u>-</u>

#### 13 Change of entity structure

Prior to 4 January 2018 Many Rooms Ltd operated as an Incorporated Association under the *Associations Incorporations Reform Act 2012 (Vic)*. As at 4 January 2018 Many Rooms Ltd is registered as a public Company limited by guarantee under the *Corporations Act 2001*. The Entity has retained its Australian Business Number, GST registration, Fringe benefits tax exemption, Income tax exemption and deductible gift recipient status under the subcategory of public benevolent institution with the Australian Charities and Not-for-profits Commission.

#### 14 Events after the end of the reporting period

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

MANY ROOMS LTD

**NOTES TO THE FINANCIAL STATEMENTS *CONTINUED***

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**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**15 Statutory information**

The registered office of the Entity is:  
262 Queen Street, MELBOURNE VIC 3000

The principal place of business is:  
262 Queen Street, MELBOURNE VIC 3000

## DIRECTORS' DECLARATION

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### FOR THE YEAR ENDED 30 SEPTEMBER 2018

In the opinion of the directors of the Company, Many Rooms Limited is not a reporting entity, and that special purpose financial statements should be prepared in accordance with the significant accounting policies as outlined in note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statement and notes, as set out herein, are prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*; and
  - a) Comply with Australian Accounting Standards as stated in Note 1 to the financial statements; and
  - b) Present a true and fair view of the Company's financial position as at 30 September 2018 and its performance for the year ended on that date is recorded in accordance with the accounting policies described in Note 2 to the financial statements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.
2. In the directors' opinion, there are reasonable grounds to believe that the Company is able to pay its debts, as and when they fall due.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-Profit Commissions Regulation 2013.

  
Simon Angus – Director

  
Brett Mawdsley – Director

Dated on 15 Nov 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANY ROOMS LTD.

**Report on the Financial Report***Opinion*

We have audited the accompanying financial report, being a special purpose financial report, of Many Rooms Ltd. (the company), which comprises the statement of financial position as at 30 September 2018, the statement of profit or loss and comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Many Rooms Ltd. has been prepared in accordance with Division 60 of the *Australian and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 30 September 2018 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian and Not-for-profits Commission Act Regulation 2013*.

*Basis for Opinion*

We have conducted our audit in accordance with the 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 *Australian and Not-for-profits Commission Act 2012* and 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 *Australian and Not-for-profits Commission Act 2012*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time 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.

*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 *Australian and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*Responsibilities of Directors for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes

such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

#### *Auditor's Responsibility for the Audit of the Financial Report*

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

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

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



Matthew Hung, CA  
rdl.accountants

19 November 2018  
Blackburn, Victoria