The NSW Kashrut Authority Incorporated

ABN 40 334 602 651

Annual Report - 31 December 2017

logicca

Logicca Assurance Pty Limited

Level 6
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Sydney NSW 2000

Sydney NSW 2001

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The NSW Kashrut Authority Incorporated
Auditor's Independence Declaration
To the Committee Members of The NSW Kashrut Authority Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Logicca Assurance Pty Limited

Name of Director: Peter Hersh

Address: Level 6, 151 Macquarie Street Sydney NSW 2000

Dated this 17th day of July 2018

The NSW Kashrut Authority Incorporated
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General information

The financial statements cover The NSW Kashrut Authority Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is The NSW Kashrut Authority Incorporated's functional and presentation currency.

The NSW Kashrut Authority Incorporated is a not-for profit association incorporated and domiciled in Australia. Its registered office and principal place of business is:

58A Hall Street
Bondi Beach NSW 2026

The incorporated association's operations and its principal activities are as follows:

- supervising kosher food services including Schechitah
- servicing all Kashrut requirements of NSW Jewry; and
- publication of all listings of kosher products after investigation of their ingredients and methods of manufacture.

The financial statements were authorised for issue on 17 July 2018.

The NSW Kashrut Authority Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

	Note	2017 $	2016 $
Revenue	3	1,810,274	1,878,887
Expenses			
Administration expenses		(128,815)	(116,765)
Bad debts written off		(12,301)	31,502
Bank charges		(8,429)	(12,910)
Employee benefits expense		(1,466,371)	(1,517,067)
Depreciation and amortisation expense		(23,672)	(20,817)
Loss on disposal of assets		(6,271)	(7,780)
Repairs and maintenance		(3,345)	(5,536)
Finance costs		(16,766)	(8,053)
Other expenses		(182,930)	(155,076)
Surplus/(deficit) before income tax expense		(38,626)	66,385
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of The NSW Kashrut Authority Incorporated	16	(38,626)	66,385
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The NSW Kashrut Authority Incorporated		(38,626)	66,385

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The NSW Kashrut Authority Incorporated
Statement of financial position
As at 31 December 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	4	20,736	9,754
Trade and other receivables	5	239,671	276,774
Other	6	26,377	9,743
Total current assets		286,784	296,271
Non-current assets			
Property, plant and equipment	7	158,718	103,524
Intangibles	8	25,369	7,704
Total non-current assets		184,087	111,228
Total assets		470,871	407,499
Liabilities			
Current liabilities			
Trade and other payables	9	244,244	217,811
Borrowings	10	147,353	61,221
Provisions	11	301,801	314,256
Other	12	235,535	227,703
Total current liabilities		928,933	820,991
Non-current liabilities			
Borrowings	13	32,708	49,501
Provisions	14	18,780	12,931
Other	15	14,175	9,175
Total non-current liabilities		65,663	71,607
Total liabilities		994,596	892,598
Net liabilities		(523,725)	(485,099)
Equity			
Accumulated deficits	16	(523,725)	(485,099)
Total deficiency in equity		(523,725)	(485,099)

The above statement of financial position should be read in conjunction with the accompanying notes

The NSW Kashrut Authority Incorporated
Statement of changes in equity
For the year ended 31 December 2017

	Retained profits $	Total deficiency in equity $
Balance at 1 January 2016	(551,484)	(551,484)
Surplus after income tax expense for the year	66,385	66,385
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	66,385	66,385
Balance at 31 December 2016	(485,099)	(485,099)

	Retained profits $	Total deficiency in equity $
Balance at 1 January 2017	(485,099)	(485,099)
Deficit after income tax expense for the year	(38,626)	(38,626)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(38,626)	(38,626)
Balance at 31 December 2017	(523,725)	(523,725)

The above statement of changes in equity should be read in conjunction with the accompanying notes

The NSW Kashrut Authority Incorporated
Statement of cash flows
For the year ended 31 December 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,852,436	1,809,820
Payments to suppliers (inclusive of GST)		(1,781,225)	(1,779,971)
		71,211	29,849
Interest and other finance costs paid		(16,766)	(8,053)
Net cash from operating activities		54,445	21,796
Cash flows from investing activities			
Payments for property, plant and equipment	7	(103,637)	(4,108)
Payments for intangibles	8	(17,665)	(7,704)
Proceeds from disposal of property, plant and equipment		3,500	13,363
Net cash from/(used in) investing activities		(117,802)	1,551
Cash flows from financing activities			
Proceeds/(repayment) of hire purchase		92,228	(47,888)
Proceeds from debt factoring		(22,303)	22,959
Additional bond security		5,000	-
Net cash from/(used in) financing activities		74,925	(24,929)
Net increase/(decrease) in cash and cash equivalents		11,568	(1,582)
Cash and cash equivalents at the beginning of the financial year		9,168	10,750
Cash and cash equivalents at the end of the financial year	4	20,736	9,168

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

In the officers' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012, the New South Wales Associations Incorporation Act 2009 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of The NSW Kashrut Authority Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 31 December 2017. The incorporated association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the incorporated association, are set out below.

Going concern
The association's statement of financial position shows a deficiency of $523,725. Its statement of profit or loss and other comprehensive income show a loss of $38,626 (2017: Profit of $66,385). The association changed its pricing structure two years ago and since then has earned a cash surplus in each year. The directors are of the opinion that the accounts should be prepared on a going concern basis.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets
The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision
As discussed in note 1, 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.

Note 3. Revenue

	2017 $	2016 $
Sales revenue		
Revenue	1,725,133	1,796,759
Other revenue		
Other revenue	85,141	82,128
Revenue	1,810,274	1,878,887

Note 4. Current assets - cash and cash equivalents

	2017 $	2016 $
Cash at bank	20,736	9,754

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	20,736	9,754
Bank overdraft (note 10)	-	(586)
Balance as per statement of cash flows	20,736	9,168

Note 5. Current assets - trade and other receivables

	2017 $	2016 $
Trade receivables	350,340	388,367
Less: Provision for impairment of receivables	(110,669)	(111,593)
	239,671	276,774

Trade receivables are subject to a debtor finance facility. Once a sale is made, an advance is received from the financier as part settlement. Final settlement takes place net of management and discount fee from the finance received.

Note 6. Current assets - other

	2017 $	2016 $
Prepayments	26,377	9,743

Note 7. Non-current assets - property, plant and equipment

	2017 $	2016 $
Plant and equipment - at cost	2,654	2,654
Less: Accumulated depreciation	(729)	(425)
	1,925	2,229
Fixtures and fittings - at cost	11,132	11,132
Less: Accumulated depreciation	(8,127)	(7,368)
	3,005	3,764
Motor vehicles - at cost	211,711	173,177
Less: Accumulated depreciation	(57,923)	(75,646)
	153,788	97,531
	158,718	103,524

Note 8. Non-current assets - intangibles

	2017 $	2016 $
Software - at cost	25,369	7,704

Note 9. Current liabilities - trade and other payables

	2017 $	2016 $
Trade payables	177,428	151,094
Other payables	66,816	66,717
	244,244	217,811

Note 10. Current liabilities - borrowings

	2017 $	2016 $
Bank overdraft	-	586
Loan - Debt factoring	656	22,959
Hire purchase	146,697	37,676
	147,353	61,221

Total secured liabilities
The debt factoring is secured on the accounts receivable approved for finance (Note 5).

Note 11. Current liabilities - provisions

	2017 $	2016 $
Annual leave	109,747	147,366
Long service leave	192,054	166,890
	301,801	314,256

Note 12. Current liabilities - other

	2017 $	2016 $
Accrued expenses	93,772	87,909
Revenue received in advance	141,763	139,794
	235,535	227,703

Note 13. Non-current liabilities - borrowings

	2017 $	2016 $
Hire purchase	32,708	49,501

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2017 $	2016 $
Bank overdraft	-	586
Hire purchase	179,405	87,177
Loan - Debt factoring	656	22,959
	180,061	110,722

Note 14. Non-current liabilities - provisions

	2017 $	2016 $
Long service leave	18,780	12,931

Note 15. Non-current liabilities - other

	2017 $	2016 $
Bonds held	14,175	9,175

Note 16. Equity - accumulated deficits

	2017 $	2016 $
Accumulated deficits at the beginning of the financial year	(485,099)	(551,484)
Surplus/(deficit) after income tax expense for the year	(38,626)	66,385
Accumulated deficits at the end of the financial year	(523,725)	(485,099)

Note 17. Events after the reporting period

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

The NSW Kashrut Authority Incorporated
Officers' declaration
31 December 2017

In the officers' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Associations Incorporation Act 2009, the Charitable Fundraising Act 1991 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers

Baron M Revelman
President

Rabbi Israel Selwyn Franklin
Secretary

17 July 2018
Sydney

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE NSW KASHRUT AUTHORITY INCORPORATED
ABN: 40 334 602 651

Report on the Audit of the Financial Report

We have audited the financial report of The NSW Kashrut Authority Incorporated, which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income and statement of changes in equity, 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 responsible entities' declaration.

In our opinion the financial report of The NSW Kashrut Authority Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *New South Wales Associations Incorporation Act 2009* including:

(a) giving a true and fair view of the registered entity'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 Division 60 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* , the *New South Wales Associations Incorporation Act 2009* 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 – Going Concern

Without qualifying our opinion, we draw attention to the going concern paragraph in Note 1 of the financial report. The association's statement of financial position shows a deficiency of $523,725 (2016: $485,099). Its statement of profit or loss and other comprehensive income shows a loss of $38,626 (2016: Profit of $66,385). The association changed its pricing structure two years ago and since then has earned a cash surplus in each year. As a result, these accounts have been prepared on a going concern basis.

Emphasis of Matter - Basis of Accounting

We also 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 registered entity's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *New South Wales Associations Incorporation Act 2009.* As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities and Those Charged with Governance for the Financial Report

The responsible entities of the registered entity 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 Charities and Not-for-profits Commission Act 2012* and the *New South Wales Associations Incorporation Act 2009.* The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity'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 responsible entities either intend to liquidate the registered entity 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 the 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. This description forms part of our Auditor's Report.

Name of firm: Logicca Assurance Pty Limited

Director: Peter Hersh

Address: Level 6, 151 Macquarie Street
SYDNEY NSW 2000

Dated this 17 July 2018