



Club One (SA) Ltd
ABN 51 113 107 994

Financial Report

For the Year Ended 30 June 2017

Club One (SA) Ltd

Directors' Report

The directors present their report on the company for the financial year ended 30 June 2017.

Directors

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

Jack Clarke
Andrew Clarke
Jim Owens
John Dicker
Shane Barton-Ancliffe
John Kernahan
Neal Matotek

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

Company Secretary

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

Mr Anthony Michael Keenan, CSA (cert), Bachelor of Arts, Masters of Education, Graduate Certificate Public Relations.
Mr Keenan has 35 years' experience working in Public Office, Management and as a Company Director. Mr Keenan was appointed company secretary on 24 February 2005.

Principal Activity

The principal activities of the company during the financial year are listed below:

- Assist, support and promote community clubs and community sporting clubs in South Australia for the benefit of the community;
- Provide grants, loans, subsidies, financial assistance, financial accommodation, and such other assistance as may be considered appropriate to clubs;
- Administer and manage for the benefit of clubs in the community in South Australia gaming machine entitlements acquired by or vested in the Company in accordance with such authorities, powers, and licences as shall be granted for that purpose to the Company;
- Provide skill and other developmental services to the club sector;
- Pursue policies that foster, promote, and support local sport, recreation and all other clubs and associations in South Australia for the benefit of the community;
- Cooperate with and assist peak bodies supporting clubs including fostering and supporting peak bodies, and associations involved with clubs; and
- Receive and expend funds contributed by government, industry and the general community to further these activities.

Operating Results

The profit of the company for the financial year after providing for income tax was \$683,863 (2016: loss of \$202,746).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Directors' Report (continued)

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

After Balance Date Events

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

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

Jack Clarke

Qualifications

Experience

- Director.
- LLB (Adelaide)
- 30 years' experience in Commercial Law in private practice. Participation and chair of Sporting Boards at a Community, National and International level.

Andrew Clarke

Qualifications

Experience

- Director.
- Bachelor of Arts (Social Work).
- 17 years' experience with Child & Youth Services. 8 years' experience as Hospital Chief Social Worker. 5 years as Director of Family and Community Services at Uniting Care Wesley, Bowden.

Jim Owens

Qualifications

Experience

- Director.
- Tertiary educated in Accounting. Past Member of the Institute of Chartered Accountants and CPA Australia.
- 47 years' experience in accounting and management; Director for various companies.

John Dicker

Qualifications

Experience

- Director.
- Bachelor of Business, Police Studies Certificate.
- 42 years' experience in law enforcement.

Neal Matotek

Qualifications

Experience

- Director.
- Bachelor of Economics, Chartered Accountant.
- Chief Financial Officer of SANFL.
- 28 years' experience in Professional Practice and Senior Finance roles.

Club One (SA) Ltd

Directors' Report (continued)

Shane Barton-Arncliffe

Qualifications

Experience

- Director.
- Work educated.
- General Manager Murray Bridge District Community Club for 10 years. 15 years in managerial positions in Clubs and Hotels.

John Kernahan

Qualifications

Experience

- Director.
- MBA (Adelaide).
- CEO South Australian Amateur Football league. 10 years Board Member and Life Member Adelaide University Football Club. 19 years involvement in sporting boards and administration.

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

Directors Meetings

	Number eligible to attend	Number attended
Jack Clarke	12	11
Andrew Clarke	12	12
Jim Owens	12	12
John Dicker	12	9
Shane Barton-Ancliffe	12	10
John Kernahan	12	11
Neal Matotek	12	9

Indemnifying Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

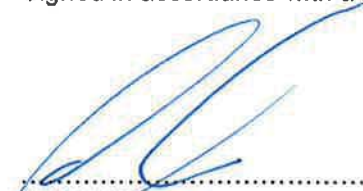
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2017 has been received and can be found within this report.

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


.....
JOHN JEFFREY CLARKE
Director

Dated this 19th day of October 2017

**CLUB ONE (SA) LTD
ABN 51 113 107 994**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CLUB ONE (SA) LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

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

MGI Assurance (SA)
MGI Assurance (SA) Pty Ltd
Chartered Accountants



**Clayton Lawrence
Director**

Eastwood, South Australia
Dated this 19th day of October 2017

Club One (SA) Ltd

Statement of Comprehensive Income for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue		1,425,063	2,075,005
Administrative expenses		(15,300)	(15,588)
Professional fees		(107,464)	(112,999)
Employee & director expenses		(257,027)	(272,092)
Occupancy expenses		(4,800)	(18,000)
Marketing expenses		(53,583)	(70,518)
Finance costs		(316,824)	(364,703)
Gain/(loss) on disposal of intangible assets		784,788	(387,316)
Other expenses from ordinary activities		(671,987)	(953,699)
Profit before income tax		782,866	(119,910)
Income tax expense	3	(99,003)	(82,836)
Profit / (loss) after income tax		683,863	(202,746)
Other comprehensive income for the year			
Revaluation of intangible assets		(3,623,089)	(296,370)
Total comprehensive income attributable to the entity		(2,939,226)	(499,116)

Club One (SA) Ltd

Statement of Financial Position for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	4	1,129,950	1,343,956
Trade and other receivables	5	372,033	341,639
Other assets	6	2,049	1,989
Unsecured loan		30,000	30,000
Total Current Assets		1,534,032	1,717,584
Non-current Assets			
Property, plant and equipment	7	579	887
Intangible assets	8	5,086,722	8,857,679
Deferred tax assets	12	8,141	8,045
Total Non-current Assets		5,095,442	8,866,611
Total Assets		6,629,474	10,584,195
Current Liabilities			
Trade and other payables	9	94,961	111,498
Provisions	10	18,037	17,708
Financial liabilities	11	400,000	400,000
Current tax liabilities	12	38,751	2,796
Total Current Assets		551,749	532,002
Non-current Liabilities			
Provisions	10	5,496	2,748
Financial liabilities	11	2,600,000	3,639,797
Deferred tax liabilities	12	3,890	2,084
Total Non-current Liabilities		2,609,386	3,644,629
Total Liabilities		3,161,135	4,176,630
Net Assets		3,468,339	6,407,565
Equity			
Reserves	13	2,101,302	5,724,391
Accumulated gains	14	1,367,037	683,174
Total Equity	15	3,468,339	6,407,565

Club One (SA) Ltd

Statement of Changes in Equity for the year ended 30 June 2017

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2015	885,920	6,020,761	6,906,681
Comprehensive income			
(Loss) attributable to the entity	(202,746)	-	(202,746)
Revaluation (decrement)	-	(296,370)	(296,370)
Total comprehensive income	(202,746)	(296,370)	(499,116)
Balance at 30 June 2016	683,174	5,724,391	6,407,565
Comprehensive income			
Profit attributable to the entity	683,863	-	683,863
Revaluation (decrement)	-	(3,623,089)	(3,623,089)
Total comprehensive income	683,863	(3,623,089)	(2,939,226)
Balance at 30 June 2017	1,367,037	2,101,302	3,468,339

Club One (SA) Ltd

Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flow from operating activities			
Receipts from customers		1,383,300	1,950,371
Payments to suppliers and directors		(1,425,686)	(1,762,111)
Income tax paid		(67,965)	(75,318)
Interest received		11,368	25,510
Net cash received from / (used in) operating activities	16	<u>(98,983)</u>	<u>138,452</u>
Cash flow from investing activities			
Payment for property, plant and equipment		-	(888)
Proceeds from the sale of GME's		932,655	853,812
Proceeds from / (to) loan to Playford Patriots		-	-
Net cash generated from investing activities		<u>932,655</u>	<u>852,924</u>
Cash flow from financing activities			
Decrease in borrowings		<u>(1,047,678)</u>	<u>(629,396)</u>
Net cash received from/(used in) financing activities		<u>(1,047,678)</u>	<u>(629,396)</u>
Net increase in cash held		(214,006)	361,980
Cash at the beginning of the financial year		<u>1,343,956</u>	<u>981,976</u>
Cash at the end of the financial year		<u><u>1,129,950</u></u>	<u><u>1,343,956</u></u>

Club One (SA) Ltd

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1: Statement of Significant Accounting Policies

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 reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial report has been prepared in accordance with the mandatory 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 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:

(a) Property, Plant and Equipment

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

Gaming Machine Entitlements

Gaming machine entitlements are revalued at fair value annually using the current market rate published on the Office of Gaming and Liquor Commissioner website.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

All assets, excluding freehold land and buildings, are depreciated on a straight line basis over their useful lives to the company.

(b) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to Balance Sheet date. 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.

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

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within the current financial liabilities on the statement of financial position.

(d) 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Cashflow Statement on a gross basis.

Club One (SA) Ltd

Notes to the Financial Statements

for the year ended 30 June 2017

(e) Income Tax

The company was assessed as a taxable entity by the Australian Taxation Office on 21 November 2008 as it did not meet the conditions of s.50-45 *Income Tax Assessment Act 1997*. The Australian Taxation Office ruled that any benefit sporting bodies or sports gained from the company's activities were ancillary to the company's main purpose of operation, management and the maximising of income from gaming machines and management of same in licensed and other clubs.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(f) Going Concern

The financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

Club One (SA) Ltd

Notes to the Financial Statements for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 2: Profit Before Income Tax			
Expenses			
Depreciation and amortisation		309	359
Remuneration of auditor - Audit or review		5,022	3,876
Note 3: Income Tax Expense			
The components of tax expense comprise:			
Current tax		96,466	90,721
Deferred tax		1,711	(10,285)
Under/(over) provision in respect of prior years		826	2,400
		<u>99,003</u>	<u>82,836</u>
Prima facie tax payable on profit from ordinary activities before income tax at 30%		234,860	(35,973)
Add:			
Tax effect of:			
Non deductible expenses		20	215
Permanent difference arising on disposal of gaming machine entitlements		(136,703)	116,194
Under provision in respect of prior years		826	2,400
Income tax attributable to entity		<u>99,003</u>	<u>82,836</u>
Note 4: Cash and Cash Equivalents			
Cash at bank		<u>1,129,950</u>	<u>1,343,956</u>
		<u>1,129,950</u>	<u>1,343,956</u>
Reconciliation of cash			
Cash at bank		626,925	270,209
Short term bank deposits		503,025	1,073,747
		<u>1,129,950</u>	<u>1,343,956</u>
Note 5: Trade and Other Receivables			
Current			
Trade debtors		359,064	334,694
Accrued income		12,969	6,945
		<u>372,033</u>	<u>341,639</u>
Note 6: Other Assets			
Prepayments		<u>2,049</u>	<u>1,989</u>
		<u>2,049</u>	<u>1,989</u>

Club One (SA) Ltd

Notes to the Financial Statements for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 7: Plant & Equipment			
Plant & Equipment			
At cost		13,636	13,636
Accumulated depreciation		(13,057)	(12,749)
		<u>579</u>	<u>887</u>
Note 8: Intangible Assets			
Gaming machine entitlements		5,057,589	8,828,546
Special clubs licence		29,133	29,133
		<u>5,086,722</u>	<u>8,857,679</u>
Note 9: Trade and Other Payables			
Current			
Trade payables		9,705	33,707
Employee liabilities		10,860	8,982
Director benefits		-	17,601
ATO liabilities		69,113	40,385
Accrued expenses		5,055	10,673
Credit card facility		228	150
		<u>94,961</u>	<u>111,498</u>
Note 10: Provisions			
Current			
Provision for annual leave		18,037	17,708
		<u>18,037</u>	<u>17,708</u>
Non-current			
Provision for long service leave		5,496	2,748
		<u>5,496</u>	<u>2,748</u>
Note 11: Financial Liabilities			
Current			
Unsecured loans		400,000	400,000
		<u>400,000</u>	<u>400,000</u>
Non-Current			
Unsecured loans		2,600,000	3,639,797
		<u>2,600,000</u>	<u>3,639,797</u>

Club One (SA) Ltd

Notes to the Financial Statements for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 12: Tax			
Current			
Income tax payable		38,751	2,796
		<u>38,751</u>	<u>2,796</u>
Non-current			
<i>Deferred tax liability</i>			
Opening balance		2,083	10,320
Add/(Less)			
Accruals		1,807	(8,236)
Closing balance		<u>3,890</u>	<u>2,083</u>
<i>Deferred tax assets</i>			
Opening balance		8,045	5,996
Add/(Less)			
Provisions		99	1,636
Accruals		(2)	414
Under/(over) provision		-	-
Closing balance		<u>8,142</u>	<u>8,045</u>
Note 13: Reserves			
Asset revaluation reserve		<u>2,101,302</u>	<u>5,724,391</u>
<i>Movements during the financial year:</i>			
Opening balance		5,724,391	6,020,761
Revaluation of gaming machine entitlements		<u>(3,623,089)</u>	<u>(290,370)</u>
Closing Balance		<u>2,101,302</u>	<u>5,724,391</u>
Note 14: Retained Earnings			
Opening balance		683,174	885,920
Profit/(loss) after income tax		<u>683,863</u>	<u>(202,746)</u>
Closing balance		<u>1,367,037</u>	<u>683,174</u>
Note 15: Equity			
Beginning balance		6,407,565	6,906,661
Movement in asset revaluation reserve		<u>(3,623,089)</u>	<u>(296,370)</u>
Profit/(loss) after income tax		<u>683,863</u>	<u>(202,726)</u>
Closing balance		<u>3,468,339</u>	<u>6,407,565</u>

Club One (SA) Ltd

Notes to the Financial Statements

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 16: Cash Flow Information			
Reconciliation of cash flow from operations with profit after income tax			
Profit/(loss) after income tax		683,863	(202,746)
<i>Non cash flows in profit</i>			
Depreciation and amortisation		308	360
(Gain)/loss on disposal of gaming machine entitlements		(784,788)	387,316
<i>Changes in assets and liabilities</i>			
(Increase) in receivables		(30,394)	(99,123)
(Increase)/decrease in other assets		(60)	18,593
(Increase) in deferred tax assets		1,711	(10,285)
Increase in payables		27,300	13,925
Increase in provisions		3,077	30,413
Cash flows from operations		<u>(98,983)</u>	<u>138,452</u>

Note 17: Members Guarantee

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$200 each toward meeting any outside obligations of the company. At 30 June 2017 the number of members was 2 (2016: 2).

NOTE 18: Company Information

The registered office the company is:

Club One (SA) Ltd
Level 9
81 Flinders Street
Adelaide SA 5000

The principal place of business is:

Club One (SA) Ltd
Suite 9, Level 1
118 Halifax Street
Adelaide SA 5000

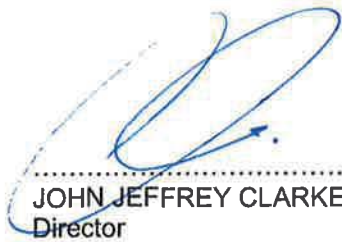
Director's Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 14 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the financial year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



.....
JOHN JEFFREY CLARKE
Director

Dated this 19th day of October 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLUB ONE (SA) LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Club One (SA) Ltd which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Club One (SA) Ltd has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 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 company 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 confirm that the independence declaration required by the *Corporations Act 2001*, 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 company's 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.

Responsibility of the Directors for the Financial Report

The directors 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 *Corporations Act 2001* and is appropriate to meet the needs of members. The directors' responsibility also includes such internal control as the directors' 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CLUB ONE (SA) LTD**

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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by company.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MGI Assurance (SA)

MGI Assurance (SA) Pty Ltd
Chartered Accountants

Eastwood, South Australia
19 October 2017



Clayton Lawrence
Director