

# **SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Financial Statements**

**For the Year Ended 31 December 2018**

# SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

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For the Year Ended 31 December 2018

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# SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

## Committee Members' Report

For the year ended 31<sup>st</sup> December, 2018

Your committee members submit the financial accounts of the Sydney High School Foundation Incorporated ("the Association") for the financial year ended 31st December, 2018.

### Committee Members

The names of committee members at the date of this report are:

GEOFFREY WARING	CHARLIE KOH
ERIC WONG	KIMBERLEY JAGGAR
PAUL HARAPIN	JUDITE SANTOS
PAUL ALMOND	WINSTON LOKE
ANDREW BOWEY	

### Principal Activities

The charitable purpose of the Foundation is to promote, encourage, support and develop education at Sydney Boys High School (**School**); assist individuals who are connected with the School who are in financial need; and promote and foster culture within the School including supporting extra-curricular activities and providing assistance to students to participate in these activities. The principal activities of the Association during the financial year were to acquire and hold real property and to make that property available for use by the School; to raise money for the purpose of acquiring and/or managing that property; and to raise, manage and apply money to otherwise support the activities of the School and students.

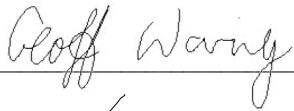

### Significant Changes

No significant changes occurred during the year

### Operating Results:

The surplus from ordinary activities amounted to \$ 689,394. No provision for income Tax has been made as the Foundation is exempt under section 50-5 of the Income Tax Assessment Act. The surplus for the previous year was \$3,619,687.

Signed in accordance with a resolution of the Members of the Committee.

  
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\_\_\_\_\_

DATED: Sydney, 18<sup>th</sup> day of June, 2019

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Auditors' Independence Declaration**  
**For the Year Ended 31 December 2018**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.



**GLENN MCEWEN**

**DATED 18<sup>TH</sup> June, 2019**

**SYDNEY**

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Statement of Profit or Loss and Other Comprehensive Income**

**For the Year Ended 31 December 2018**

	2018	2017
Note	\$	\$
Revenue	3 <b>1,048,316</b>	566,702
Other income	3 <b>560,050</b>	3,888,870
Interest income	4 <b>9,697</b>	59,504
Cost of Sales	5 <b>(269,165)</b>	(247,477)
Employee benefits expense	5 <b>(204,989)</b>	(238,466)
Depreciation and amortisation expense	9 <b>(47,096)</b>	(35,637)
Insurance	<b>(41,135)</b>	(38,268)
Legal and trust fund expenses	<b>(36,343)</b>	(40,540)
Property Expenses	<b>(43,633)</b>	(80,201)
Office Expenses	<b>(120,402)</b>	(121,265)
Other expenses	<b>(165,906)</b>	(93,535)
	<hr/>	
<b>Surplus before income tax</b>	<b>689,394</b>	3,619,687
Income tax expense	-	-
	<hr/>	
<b>Surplus from continuing operations</b>	<b>689,394</b>	3,619,687
	<hr/>	
<b>Surplus for the year</b>	<b>689,394</b>	3,619,687
	<hr/> <hr/>	
<b>Other comprehensive income, net of income tax</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Revaluation changes for property, plant and equipment	<b>700,000</b>	-
	<hr/>	
<b>Other comprehensive income for the year, net of tax</b>	<b>700,000</b>	-
	<hr/>	
<b>Total comprehensive income for the year</b>	<b>1,389,394</b>	3,619,687
	<hr/> <hr/>	

The accompanying notes form part of these financial statements.

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Statement of Financial Position**

**As At 31 December 2018**

	2018	2017
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	6 <b>6,636,180</b>	5,504,416
Trade and other receivables	7 <b>420,252</b>	294,887
Inventories	8 <b>74,582</b>	80,848
TOTAL CURRENT ASSETS	<u><b>7,131,014</b></u>	5,880,151
NON-CURRENT ASSETS		
Property, plant and equipment	9 <b>6,314,018</b>	5,645,714
TOTAL NON-CURRENT ASSETS	<u><b>6,314,018</b></u>	5,645,714
TOTAL ASSETS	<u><b>13,445,032</b></u>	<u>11,525,865</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	10 <b>528,516</b>	59,243
Other financial liabilities	11 <b>47,650</b>	2,000
Provisions	12 <b>14,850</b>	-
TOTAL CURRENT LIABILITIES	<u><b>591,016</b></u>	61,243
NON-CURRENT LIABILITIES		
TOTAL LIABILITIES	<u><b>591,016</b></u>	61,243
NET ASSETS	<u><b>12,854,016</b></u>	<u>11,464,622</u>
<b>EQUITY</b>		
Reserves	13 <b>10,779,499</b>	9,213,049
Accumulated Surplus	<b>2,074,517</b>	2,251,573
TOTAL EQUITY	<u><b>12,854,016</b></u>	<u>11,464,622</u>

The accompanying notes form part of these financial statements.

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Statement of Changes in Equity**

**For the Year Ended 31 December 2018**

**2018**

	<b>Accumulated Surplus</b>	<b>Asset Revaluation Reserve</b>	<b>General Reserve</b>	<b>Other Non-Distribut able Reserves</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2018</b>	<b>2,251,573</b>	<b>4,030,178</b>	<b>-</b>	<b>5,182,871</b>	<b>11,464,622</b>
Surplus for the year	689,394	-	-	-	689,394
<b>Transactions with owners in their capacity as owners</b>					
Transfers from accumulated surplus to reserves	(866,450)	-	-	866,450	-
Total other comprehensive income for the period	-	700,000	-	-	700,000
<b>Balance at 31 December 2018</b>	<b>2,074,517</b>	<b>4,730,178</b>	<b>-</b>	<b>6,049,321</b>	<b>12,854,016</b>

**2017**

	<b>Accumulated Surplus</b>	<b>Asset Realisation Reserve</b>	<b>General Reserve</b>	<b>Other Non-Distribut able Reserves</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2017</b>	<b>1,203,600</b>	<b>4,030,178</b>	<b>-</b>	<b>2,268,863</b>	<b>7,502,641</b>
Surplus for the year	3,619,687	-	-	-	3,619,687
Adjustment for change of accounting policy for fundraising reimbursement	334,508				334,508
<b>Transactions with owners in their capacity as owners</b>					
Transfers from retained earnings to general reserve	(2,914,008)	-	-	2,914,008	-
<b>Balance at 31 December 2017</b>	<b>2,251,573</b>	<b>4,030,178</b>	<b>-</b>	<b>5,182,871</b>	<b>11,464,622</b>

The accompanying notes form part of these financial statements.

# SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

## Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	705,870	632,704
Payments to suppliers and employees	(831,945)	(835,638)
Donations received	1,257,839	3,143,321
Net cash provided by/(used in) operating activities	<u>1,131,764</u>	<u>2,940,387</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(75,344)
Net cash provided by/(used in) investing activities	<u>-</u>	<u>(75,344)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	1,131,764	2,865,043
Cash and cash equivalents at beginning of year	<u>5,504,416</u>	<u>2,639,373</u>
Cash and cash equivalents at end of financial year	6 <u><u>6,636,180</u></u>	<u>5,504,416</u>

The accompanying notes form part of these financial statements.



# SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

## Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial report covers SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED as an individual entity. SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED is a not-for-profit Association, registered and domiciled in Australia.

The following funds and trusts are administered and managed by the foundation in its capacity as trustee:

Sydney Boys High School Building Fund

Sydney Boys High School Scholarship Fund

Sydney Boys High School Prizes Trust

The Sydney Boys High School Student Support Fund

The Andrew M Seow Memorial Trust

The Ethel Killip Memorial Trust

The Philip Day Memorial Scholarship Fund

The functional and presentation currency of SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of those charged with Governance the association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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 107 *Statement of Cash Flows*, 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 Company 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 Company 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.

# **SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

### **Rental income**

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

### **Other income**

Other income is recognised on an accruals basis when the association 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.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### **(d) Inventories**

Inventories of goods for resale are valued at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

### **(e) 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.

### **Land and buildings**

Land and buildings are measured using the revaluation model.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **Plant and equipment**

Plant and equipment are measured at cost.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

### **Depreciation**

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

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2-4%
Plant and Equipment	20%
Furniture, Fixtures and Fittings	33%
Tennis Court	10%

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.

### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises 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.

### **(g) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

**(h) Change in Accounting Policy**

Allocation of Income for Specific Funds and projects was previously recognised in the Financial statements as expenditure and a provision was taken up in the liabilities section of the Sheet. The Committee has decided that the correct treatment of these amounts is to treat these amounts as Reserves and transfer these allocations from Retained Earnings to Reserves in the Equity statement. Additionally the 2017 Comparative information has been adjusted to include the donations received by the Foundation on behalf of the SHSF Building Fund together with those transferred across from the Centennial Building fund in December 2017.

**3 Revenue and Other Income**

**Revenue from continuing operations**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Revenue		
- sale of goods	<b>501,122</b>	452,142
- parent contributions	<b>547,194</b>	114,560
<b>Total Revenue</b>	<b>1,048,316</b>	566,702

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Other Income</b>		
Other Income		
- rental income	<b>214,179</b>	225,194
- other income	-	518
- donations and fundraising	<b>345,871</b>	3,663,158
<b>Total other income</b>	<b>560,050</b>	3,888,870

**4 Finance Income and Expenses**

**Finance income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest income		
- Interest Received	<b>9,697</b>	59,504
	<b>9,697</b>	59,504

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

	2018	2017
<b>5 Result for the Year</b>	<b>\$</b>	<b>\$</b>
Cost of sales	269,165	247,477
Employee benefits expense	204,989	238,466
Rent paid to SBHS from the High Store	21,079	20,685

**6 Cash and Cash Equivalents**

	2018	2017
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	5,973,689	4,858,979
Short-term deposits	662,491	645,437
	<b>6,636,180</b>	<b>5,504,416</b>

**7 Trade and Other Receivables**

	2018	2017
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade receivables	73,057	63,626
Deposits	3,400	-
Other receivables	305,117	193,642
Prepayments	38,678	37,619
<b>Total current trade and other receivables</b>	<b>420,252</b>	<b>294,887</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**8 Inventories**

	2018	2017
	<b>\$</b>	<b>\$</b>
CURRENT		
At cost:		
School Merchandise	74,582	80,848
	<b>74,582</b>	<b>80,848</b>

**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

**9 Property, plant and equipment**

	2018	2017
	\$	\$
<b>LAND AND BUILDINGS</b>		
Land and Buildings		
At fair value	5,750,000	5,050,000
Total Land and Buildings	<u>5,750,000</u>	<u>5,050,000</u>
<b>FACILITY IMPROVEMENTS</b>		
Abbotsford and Fairland		
At cost	669,114	653,714
Accumulated depreciation	(145,726)	(115,379)
Total Facility Improvements	<u>523,388</u>	<u>538,335</u>
Plant and equipment		
At cost	85,316	85,316
Accumulated depreciation	(85,316)	(78,731)
Total plant and equipment	<u>-</u>	<u>6,585</u>
Tennis Court Improvements		
At cost	252,954	252,954
Accumulated depreciation	(212,324)	(202,160)
	<u>40,630</u>	<u>50,794</u>
Total facility improvements and plant and equipment	<u>564,018</u>	<u>595,714</u>
<b>Total property, plant and equipment</b>	<u><u>6,314,018</u></u>	<u><u>5,645,714</u></u>

**(a) Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
<b>Year ended 31 December 2018</b>				
Balance at the beginning of year	5,050,000	538,335	57,379	5,645,714
Additions		15,400		15,400
Revaluation	700,000			700,000
Less; Depreciation		(30,347)	(16,749)	(47,096)
Balance at the end of year	<u>5,750,000</u>	<u>523,388</u>	<u>40,630</u>	<u>6,314,018</u>

# SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 10 Trade and Other Payables

	Note	2018 \$	2017 \$
Current			
Trade payables		520,480	53,760
Deposits		1,667	-
GST payable		6,369	5,483
		<u>528,516</u>	<u>59,243</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 11 Other Financial Liabilities

		2018 \$	2017 \$
Current			
Amounts received in advance		47,650	2,000

### 12 Provisions

Current			
Long Service Leave		14,850	-

A long service leave provision has been recognised for the first time in 2018. The policy is to recognise a provision where five or more years' service has been obtained.

### 13 Reserves

#### (a) Asset revaluation reserve

The asset revaluation reserve records unrealised gains from non-current assets.

#### (b) Other Reserves

The other Non-Distributable reserves are for funds held in trust by the Foundation for specific purposes.

A summary of the Trust Fund Reserves is shown on page 18 of this report.

## SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 14 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	4,750	4,050

#### 15 Commitments, Contingencies and Subsequent Events

The Foundation has a contractual commitment to provide funds for the construction of the Governor's Centre. At 31<sup>st</sup> December the commitment was known to be \$5.3 million with a further contingency of \$400,000. These funds are expected to be paid later in June 2019.

#### 16 Related Party Transactions

During the year ended 31st December 2018, SHS Foundation paid \$24,000 to the Sydney High School Old Boys Union for the use of their database system.

A staff member was paid salary, superannuation and reimbursements for home office expenses during the year. The staff member is the wife of one of the Committee members.

All transactions between related parties are on normal commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated

#### 17 Statutory Information

The registered office and principal place of business of the company is:

SYDNEY BOYS HIGH SCHOOL  
MOORE PARK SURRY HILLS NSW



**SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED**

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Responsible person .....  ..... Responsible person .....  .....

Dated 18<sup>th</sup> June 2019



## SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

# Independent Audit Report to the members of SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the responsible persons' declaration.

In our opinion the financial report of SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of Matter - Basis of Accounting

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



## SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

# Independent Audit Report to the members of SYDNEY HIGH SCHOOL FOUNDATION INCORPORATED

### Responsibilities of Responsible Entities 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 ACNC Act and the needs of the members. 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 related 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 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 handwritten signature in black ink, appearing to read 'Glenn McEwen'.

**GLENN MCEWEN**

Location SYDNEY

Dated this 18th. day of June.2018