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GenusPlus Group Pty Ltd
ABN: 86 620 283 561

SPECIAL PURPOSE FINANCIAL REPORT
For the Year Ended 30 June 2018

GenusPlus Group Pty Ltd

ABN: 86 620 283 561

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For the Year Ended 30 June 2018

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GenusPlus Group Pty Ltd

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Director's Report

For the Year Ended 30 June 2018

The Directors presents the report on GenusPlus Group Pty Ltd for the financial year ended 30 June 2018.

Directors

The name of the Directors in office at any time during or since the end of the year is:

Mr David Riches (Appointed 06/07/2018)

Mr Giuseppe Gugliotta (Appointed 21/09/17, Resigned 06/07/2018)

Mr Jose Martins (Appointed 03/01/2018)

Mr Paul Gavazzi (Appointed 27/11/2017)

Mr Simon High (Appointed 23/10/2017)

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

Financial results, review of operations

The net loss of GenusPlus Group Pty Ltd for the financial year ended 30 June 2018 after providing for income tax amounted to \$361,453

This was the first year of operations for the company, with the company being registered on the 6th of July 2017.

Principal activity

The principal activity of the company during the financial year was to provide management oversight and financial services to the Powerlines Plus Pty Ltd Group.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events arising since 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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends

There were no dividends declared nor paid during the financial year.

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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.

Indemnification of Officers

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.

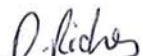
The company was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this director's report.

During the period, GenusPlus Group Pty Ltd applied Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board, to the extent as outlined in Note 1.

Signed in accordance with a resolution of the director:



Name: David William Riches

Position: Director

Date: 20/12/18

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of GenusPlus Group Pty Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
20 December 2018



N G Neill
Partner

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GenusPlus Group Pty Ltd

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

| | Notes | 2018 \$ |
|--|-------|---------------------------|
| Revenue | | <u>703,770</u> 703,770 |
| Employment expenses | | (468,866) |
| Legal & Professional Fees | | (700,373) |
| Finance costs | | (174) |
| Other expenses | | (82,197) |
| Loss before income tax | | <u>(547,840)</u> |
| Income tax benefit | 2 | 186,387 |
| Loss for the year | | <u>(361,453)</u> |
| Other comprehensive income | | - |
| Total comprehensive income for the year | | <u>(361,453)</u> |

The accompanying notes form part of these financial statements.

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GenusPlus Group Pty Ltd

ABN: 86 620 283 561

Statement of Financial Position

For the Year Ended 30 June 2018

| | Notes | 2018 \$ |
|----------------------------------|-------|-------------------|
| Current assets | | |
| Cash and cash equivalents | 3 | - |
| Trade and other receivables | 4 | 929,468 |
| Other assets | 6 | 1,129,598 |
| Total current assets | | <u>2,059,066</u> |
| Non-current assets | | |
| Investments | 5 | 18,800,000 |
| Deferred tax asset | 2 | 322,445 |
| Total non-current assets | | <u>19,122,445</u> |
| Total assets | | <u>21,181,511</u> |
| Current liabilities | | |
| Trade and other payables | 7 | 611,497 |
| Borrowings | 8 | 1,264,559 |
| Provisions | 9 | 103,073 |
| Current tax payable | 10 | 763,140 |
| Total current liabilities | | <u>2,742,269</u> |
| Total liabilities | | <u>2,742,269</u> |
| Net assets | | <u>18,439,242</u> |
| Equity | | |
| Issued capital | 11 | 18,800,695 |
| Accumulated losses | | (361,453) |
| Total equity | | <u>18,439,242</u> |

The accompanying notes form part of these financial statements.

GenusPlus Group Pty Ltd

ABN: 86 620 283 561

Statement of Changes in Equity

For the Year Ended 30 June 2018

| | Notes | Accumulated losses \$ | Issued Capital \$ | Total \$ |
|---|-------|-----------------------------|-------------------------|-------------------|
| Balance at incorporation | | - | - | - |
| Loss for the period | | (361,453) | - | (361,453) |
| Shares issued on incorporation | | - | 695 | 695 |
| Shares issued during the year to acquire Powerlines Plus Pty Ltd | | - | 18,800,000 | 18,800,000 |
| Balance at 30 June 2018 | | (361,453) | 18,800,695 | 18,439,242 |

The accompanying notes form part of these financial statements.

GenusPlus Group Pty Ltd

ABN: 86 620 283 561

Statement of Cash Flows

For the Year Ended 30 June 2018

| | Notes | 2018 \$ |
|--|-------|------------|
| Cash flows from financing activities | | |
| Finance costs | | - |
| Net cash used in financing activities | | - |
| Net increase/(decrease) in cash and cash equivalents | | - |
| Cash and cash equivalents at the beginning of the financial year | | - |
| Cash and cash equivalents at the end of the financial year | | - |

The accompanying notes form part of these financial statements.

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GenusPlus Group Pty Ltd
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Notes to the Financial Statements
For the Year Ended 30 June 2018

Introduction

GenusPlus Group Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors of GenusPlus Group Pty Ltd on 20 December 2018

The principal activity of the company during the financial year was to provide management oversight and financial services to the Powerlines Plus Pty Ltd Group.

The financial statements are presented in Australian dollars.

1 Summary of significant accounting policies

Basis of Preparation

The financial statements (except for the cashflow information) have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The 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 company is a for-profit entity for financial reports purposes under Australian Accounting Standards.

These financial statements have 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 Director has determined are appropriate to meet the needs of the member.

Changes in Accounting Policies on Initial Application of Accounting Standards

In the year ended 30 June 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the company's operations and effective for the current annual reporting period. The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2018.

As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the company and therefore, no change is necessary to the accounting policies.

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Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Significant accounting policies

a Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from 1 June 2018. The head entity within the tax consolidated group is GenusPlus Group Pty Ltd. The members of the tax-consolidated group are Powerlines Plus Pty Ltd, Complete Cabling & Construction Pty Ltd and Proton Power Pty Ltd. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

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Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

b Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost.

Plant and equipment

Plant and equipment are measured on the cost basis or in certain circumstances at fair value based on director's valuations and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

All fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

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

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Plant and equipment | 2.5 - 66.67% |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

c Trade and other receivables

Trade receivables are initially recognised at fair value. Collectability of trade receivables is reviewed on an ongoing basis, and an allowance for doubtful debts is recognised when there is objective evidence that the collection of the full amount is no longer probable. Bad debts are written off when identified. Receivables from related parties are recognised and carried at the nominal amount due.

d Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e Employee Benefits

Provision is made for the company'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. There are no employee benefits payable in later than one year.

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Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of significant accounting policies (continued)

f Provisions

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

g Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

h Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

i Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

j 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 (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are

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

k Reserves

The asset revaluation reserve records revaluations of certain non-current assets. Under certain circumstances, dividends can be declared from this reserve.

l Comparative Figures

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

Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

m Critical Accounting Estimates and Judgments

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

o Going concern

Notwithstanding the fact that the Company has a working capital deficit of \$683,203 the financial statements have been prepared on a going concern basis.

It is noted that the Company has received a letter of financial support from a related entity which provides financial support in the event that the Company requires such support.

The Directors are of the opinion therefore, that the Company is a going concern.

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GenusPlus Group Pty Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2018

| | 2018 |
|---|------------------|
| | \$ |
| 2 Income tax | |
| (a) Income tax expense | |
| Current tax expense / (income) | 763,140 |
| Initial recognition of deferred tax balances | (322,445) |
| Equity contribution (Stand-Alone) Tax Consolidation UIG 1052 | <u>(627,082)</u> |
| Total tax expense / (income) in the statement of comprehensive income | <u>(186,387)</u> |
| Current tax benefit is attributable to: | |
| - Profit from continuing operations | <u>(186,387)</u> |
| Deferred income tax (revenue)/expense included in income tax expense comprises: | |
| - Increase (decrease) in deferred tax liability | <u>(322,445)</u> |
| (b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows: | |
| Profit / (loss) from continuing operations before income tax expense | <u>(547,840)</u> |
| Income tax calculated at 30% (2017: 30%) | (164,352) |
| Add/(less): | |
| Non-deductible expenses | <u>(22,035)</u> |
| Income tax expense / (income) | <u>(186,387)</u> |
| (c) Amounts recognised directly in other comprehensive income | |
| No deferred tax amounts were credited directly to other comprehensive income during the year ended 30 June 2018 or 30 June 2017. | |
| (d) Deferred tax balances | |
| Deferred tax comprises: | |
| Employee Benefits | 30,922 |
| Super Payable | 6,454 |
| 40-880 costs | 117,108 |
| Transferred Capital Loss (PLP) | 61,178 |
| Transferred Tax Loss (CCC) | <u>106,783</u> |
| | <u>322,445</u> |
| (e) Tax losses | |
| There are no unused tax losses. | |
| (f) Unrecognised temporary differences | |
| There are no unrecognised temporary differences. | |

GenusPlus Group Pty Ltd

ABN: 86 620 283 561

Notes to the Financial Statements

For the Year Ended 30 June 2018

| | 2018 \$ |
|---|-------------------|
| 3 Cash and cash equivalents | |
| Cash at bank | - |
| | <u>-</u> |
| <p>The company did not hold any cash during the financial year, instead using it's intercompany account with Powerlines Plus Pty Ltd.</p> | |
| 4 Trade and other receivables | |
| Current | |
| Trade receivables | 88,246 |
| Allowance for doubtful debts | - |
| Other receivables | 841,222 |
| | <u>929,468</u> |
| 5 Investments | |
| Non Current | |
| Powerlines Plus Pty Ltd | 18,800,000 |
| | <u>18,800,000</u> |
| <p>GenusPlus Group Pty Ltd acquired 100% of Powerlines Plus Pty Ltd on the 4th of May 2018, through the issue of 1,390 shares in the Company.</p> | |
| 6 Other assets | |
| Current | |
| Insurance Prepayment | 1,129,598 |
| | <u>1,129,598</u> |
| 7 Trade and other payables | |
| Current | |
| Creditors | 115,930 |
| Accrued expenses | 54,812 |
| Employee benefits | 127,446 |
| Intercompany loan - Powerlines Plus Pty Ltd | 940,392 |
| Intercompany tax funding receivable | (627,083) |
| | <u>611,497</u> |

GenusPlus transacts through an intercompany loan with Powerlines Plus Pty Ltd, whom it owns 100%.

GenusPlus Group Pty Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2018

| | 2018 |
|--|-------------------|
| | \$ |
| 8 Borrowings | |
| Current | |
| Insurance Premium Funding | 1,264,559 |
| | <u>1,264,559</u> |
| 9 Provisions | |
| Current | |
| Employee Annual Leave Provision | 103,073 |
| | <u>103,073</u> |
| 10 Tax | |
| Current asset | |
| Income tax refundable | <u>-</u> |
| Current liability | |
| Income tax payable | <u>763,140</u> |
| Non-current asset | |
| Deferred tax asset | <u>322,445</u> |
| 11 Issued capital | |
| Issued capital - 1,390 fully paid shares | 18,800,695 |
| | <u>18,800,695</u> |

Ordinary shares participate in dividends and the proceeds or winding up of the company in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

12 Contingent Liabilities

The company had no contingent liabilities as at 30 June 2018.

13 Events After the Reporting Date

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.

14 Deed of Cross Guarantee

GenusPlus Group Pty Ltd is the holding entity which is a party to a deed of cross guarantee which includes Powerlines Plus Pty Ltd, Proton Power Pty Ltd, Diamond Underground Services Pty Ltd, GPL Enterprises (WA) Pty Ltd, Proton Technical Services Pty Ltd and Complete Cabling & Construction Pty Ltd under which each company guarantees the debts of the others.

15 Company Details

The registered office of the Company is:

11-15 Cooper Avenue
Kenwick WA 6107

The principal place of business is:

11-15 Cooper Avenue
Kenwick WA 6107

GenusPlus Group Pty Ltd

ABN: 86 620 283 561

Director's Declaration

For the Year Ended 30 June 2018

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors acknowledges that he has responsibility for the reliability, accuracy and completeness of the accounting records of the company and has disclosed all material and relevant information for the preparation of the financial report.

The Directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 6 to 17, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Name: David William Riches

Position: Director

Date: 20/12/18

Independent Auditor's Report to the Members of GenusPlus Group Pty Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of GenusPlus Group Pty Ltd ("the Company") which comprises the statement of financial position as at 30 June 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 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 director'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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the 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 *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 this financial report.

As part of an audit in accordance with the 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 the directors.
- Conclude on the appropriateness of the 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
20 December 2018



N G Neill
Partner