

**Australian Alpaca Association
Limited**

A.C.N. 067 146 481

A.B.N 30 067 146 481

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2019**

SPECIAL PURPOSE FINANCIAL REPORT FOR THE FINANCIAL

YEAR ENDED 30 JUNE 2019

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**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

Your Directors present their report on the Company for the financial year ended 30 June 2019.

Directors

The names of the Directors in office at any time during the year and to the date of this report are:

Mr Ian Frith, AAA President

Dr Susan Harris, Vice President

Mr Steven O'Keefe, Treasurer

Mrs Sharon Dawson

Mr Andrew Hulme

Mr Trevor Parry (appointed 22 September 2018)

Mr Ian Preuss (appointed 22 September 2018)

Mrs Fiona Vanderbeek (resigned 22 September 2018)

Mr Christopher Williams (resigned 22 September 2018)

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

Company Secretary

Ms Amanda Olthof was appointed Company Secretary on 2 July 2018. Dr Susan Harris was Company Secretary for the period 16 September 2017 to 2 July 2018.

Short and Long Term Objectives

The objectives of the Company are to sustain and expand the alpaca industry, provide services to its members and promote and advance the breed standard and husbandry of alpacas as an agricultural resource to Australia.

Strategy for Achieving Short and Long Term Objectives

The Company's strategy has been to promote and advance the purity of the alpaca breed, utilising the International Alpaca Registry. In addition, its strategy has been to foster the marketing of alpaca products and encourage a relationship with the industries associated with those activities.

Principal Activities

The principal activities of the Company during the financial year were to provide an animal register, publications, merchandise and organise events relevant to members in the Alpaca industry.

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

These principal activities assisted in achieving the objectives of the Company by monitoring the breeding of the alpaca here in Australia and by promoting the Industry at the various events held during the year, and in doing so, advance the breed to the general public.

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

Measurement of Performance by the Company

The Company measures its performance by the growth in new members, membership renewals of existing members and the number of registration of animals. During the past twelve months, income from memberships and membership renewals has declined by \$27,688 or 10.8 per cent. This decline is largely attributable to a reduction in annual associate and youth membership fees from \$115 per year (inc GST) to \$50 per year (inc GST) as well as a corresponding decline in full and joint membership numbers. Overall membership numbers remained static. Revenue from the registration and transfer of animals has also declined by \$60,287 or 18%.

Operating Results

The operating results show a net deficit of \$32,645 for the financial year ending 30 June 2019, (2018: a net surplus of \$14,869).

Review of Operations

A review of operations of the entity during the financial year shows that the overall deficit has occurred as a result of a National operations deficit of \$40,180 and a combined Region's and Youth operations surplus of \$7,535.

The combined Region's and Youth Operation surplus is an increase of \$55,272 compared to 2017/18 due mainly to an increase in show & event income. The National Operations deficit is largely attributable to a decline in membership revenue and animal registration and transfer income associated with harsh ongoing drought conditions across Australia. This has been partially offset by an increase in investment rental income and a \$53,000 gain in the fair value of the company's investment property.

In regard to expenditure there was an increased focus on industry promotion with total expenditure on Chinese Market Development during the year of \$68,312. This expenditure is attributable to a 12 month contract with a Chinese Market Development Consultant, a Market Development Promotional trade mission to China and to hosting a Chinese delegation visit to Australian Farms and to the 2018 National Spectacular Show. As at the date of this report the company has lodged an application for a \$30,091 export market development grant to recover part of these funds. This grant will be recognised as income upon receipt in the 2019/20 financial year.

Significant Changes in the State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year other than as disclosed.

After Reporting Date Events

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

Future Developments

Other than undertaking various budgeted projects and industry promotion, the entity expects to maintain the present status and level of operations and hence there are no other likely developments in the entity's operations.

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

Environmental Issues

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

Information on Directors

Mr Ian Frith (President)

Qualifications: Fellow of the Australian Institute of Management, Diploma Financial Services (Gen Ins), Senior Associate Member of Australia & New Zealand Institute of Insurance & Finance.

Experience: 35 years' experience in the insurance & marketing sector, 25 running his own businesses with 250 staff in 6 countries. Established his stud Millpaca in 2007 and today has over 5000 alpacas spread over 3 farms. A pioneer of the alpaca meat industry in Australia, Ian owns and manages Illawarra Prime Alpaca and continues to train chefs both internationally and locally to develop recipes for Alpaca meat.

Portfolio responsibility: International Relations, Marketing & Promotion

Regional responsibility: Overseas, Tasmania, Victorian Western

Dr Susan Harris (Vice President)

Qualifications: Bachelor of Arts, Bachelor of Law (Hons) PhD.

Experience: A practising lawyer for over thirty years, and a Partner at Madgwicks Lawyers (Melbourne) where she focuses on property related matters. Sue has also been a part-time lecturer and tutor at Melbourne University and an instructor at Leo Cussen Centre for Law. Sue has been Secretary of the Traralgon Arts Council and Deputy Chair, and later Secretary, of the Victorian Arts Council. Sue is a partner in Onyx Alpacas, a black Huacaya and Suri stud in south-western Victoria. She is an active member of the Victorian Western Region and has acted as a steward at regional shows and the Royal Melbourne Show.

Portfolio responsibility: Membership & Registrations

Regional responsibility: Victoria Eastern

Mr Steven O'Keefe (Treasurer)

Qualifications: Bachelor of Commerce (Acey) from the University of Wollongong, Member of the Institute of Chartered Accountants Australia & New Zealand, Chartered Tax Adviser and Member of the Taxation Institute of Australia, Registered Company Auditor, Registered SMSF Auditor, Registered Tax Agent.

Experience: Over 30 years accountancy/auditing public practice experience, 24 as a partner/principal in own firms. A registered alpaca breeder since 2013 and a former Vice- President and Treasurer of the Southern NSW Region (2014-2015). Director of Waratah Alpaca Fibre Co-operative Ltd. Member of the AAA Audit & Risk Committee since 2015 & Chairman since 2016.

Portfolio Responsibilities: Audit Risk and Finance Chairman, Financial Management

Regional Responsibilities: Victoria Central

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

Mrs Sharon Dawson

Qualifications: Bookkeeper and Personal Assistant for 19 years.

Experience: Function co-ordinator of anniversaries and sports functions, convener of numerous alpacas shows large and small, alpaca breeder for 11 years, a successful small breeder achieving broad ribbons in Regional and National Shows. For the first 10 years of employment in the animal industry husbandry/vet nursing. Introduced alpaca into the TAFE system with an Alpaca Masterclasses across Australia. Wires wombat, macropod, possum and glider carer. Served on Regional Alpaca Committees for 7 years in various roles.

Portfolio responsibility: Showing & Judging

Regional responsibility: Queensland, South Queensland & Northern NSW.

Mr Andrew Hulme

Qualifications: Bachelor of Engineering (Mining) UNSW, First Class Mine Managers Certificate of Competence WA No. 1189, mutually recognised in Queensland and New South Wales. Member of the Australian Institute of Mining and Metallurgy.

Experience: Over 10 years in the Mining industry in various technical and management roles. Currently Group Contracts Manager for PYBAR Mining Services. 1 year previously (2012) as Company Secretary for the Orange Regional Conservatorium Board. Director for Adagio Mills: Textile manufacturing facility specialising in alpaca for 3 years and partner in Adagio Alpacas for 5.

Portfolio responsibility: Alpaca Youth Education, Market Access, Trade

Regional responsibility: NSW

Mr Trevor Parry

Qualifications: Bachelor of Arts, Monash; Master of Business Administration, University of Western Australia

Experience: 20 years in the oil industry in various development and managerial posts and 30 years in the construction industry principally in relation to finishes trades. Alpaca breeder for 16 years and previously Vice-President and Company Secretary of AAA.

Regional responsibility: Western Australia

Portfolio responsibility: Education & Training plus AWEX and Fleece

Mr Ian Preuss

Qualifications: Diploma of Applied Science (Agriculture); Diploma of Teaching.

Experience: Teaching Science and Agriculture in secondary schools. 30 years of operating own businesses. Fulltime Alpaca farming since 2000. Now running over 1500 alpacas. Director of National franchise chain for 10 years. Director of International Alpaca Exports and involved in the export of alpacas. Director of Scotch Group Pty Ltd, collecting and classing alpaca fibre for sale and working on product development using alpaca fibre.

Portfolio responsibility: Membership, Including Member Services, Commercialisation

Regional responsibility: South Australia

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Mrs Fiona Vanderbeek (resigned 22 September 2018)

Qualifications: Masters in Health Management, City University, London

Experience: An alpaca breeder since 2002 with a previous 20+ year career in senior management positions in hospitals and general practice

Portfolio responsibility: Biosecurity and Animal Welfare

Regional responsibility: nil

Mr Christopher Williams (resigned 22 September 2018)

Qualifications: Qualified Australian alpaca judge

Experience: An alpaca breeder since 1992 with his stud Ambersun Alpacas today owning approximately 1,500 alpacas and having produced a number of National Supreme champions. Chris is a past committee member of the Australian Alpaca Association Inc (1995-1997) and a former President of the South Australia Region. . A qualified judge since 2011 Chris has also been a guest speaker at national conferences in both Australia and New Zealand. He is an experienced alpaca shearer and shears approximately 4,000 animals per year in Australia and Europe.

Meetings of Directors

During the financial year, ten (10) meetings of the directors were held. Attendance by each director was as follows:

	Directors Meetings	
	No. Eligible to Attend	No. Attended
Mr Ian Frith	10	10
Dr Susan Harris	10	10
Mr Steven O'Keefe	10	9
Mrs Sharon Dawson	10	9
Mr Andrew Hulme	10	8
Mr Ian Preuss	8	8
Mr Trevor Parry	8	7
Mrs Fiona Vanderbeek	3	3
Mr Chris Williams	3	2

Indemnifying Officers of Auditor

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity. Insurance premiums have been paid for Directors and Officers professional

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

indemnity insurance cover.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings, other than disclosed in the Notes to the Financial Statements.

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

Members Guarantee

The Company is incorporated under the Corporations Act 2011 and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the Company, while they are a member or within one year of their membership ceasing. At 30 June 2019, the total amount that members of the company are liable to contribute if the Company is wound up is \$24,200 (2018 \$24,280).

Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 7 of the Financial Report.

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



Ian Frith
President



Steven O'Keefe
Treasurer

Dated this 18th day of September 2019

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001 to the Australian Alpaca Association Limited

In relation to our audit of the financial report of Australian Alpaca Association Limited for the financial year ended 30 June 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

**CROWE VIC****GORDON ROBERTSON****Partner**Date: 18th September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

STATEMENT OF PROFIT OR LOSS

	NOTE	2019 \$	2018 \$
REVENUE			
Members subscriptions and fees		229,014	256,702
Members animal registration & animal health income		274,706	334,993
Events and Sponsorship		119,094	187,413
Regional income	2	276,494	213,959
Youth Groups Income		11,654	4,368
Market Access Grants Received		18,155	-
Sales of publications and advertising		223	5,648
Sales of merchandise		31,781	20,383
Interest received		10,442	16,784
Rent received		36,795	3,423
Showing and judging income		17,273	12,262
Education and Training		727	5,452
Sundry Income		4,273	5,403
Unrealised Change in investment Property Fair Value		53,000	-
TOTAL REVENUE		1,083,631	1,066,790
EXPENDITURE			
Audit Fees - audit/review the financial report		10,200	8,500
Bank Charges		4,765	4,453
Biosecurity & Animal Welfare Expenses		9,862	-
Computer and website expenses		19,294	25,195
Depreciation of property plant and equipment		49,702	32,576
Event expenses		127,017	164,062
Events - Youth Group		10,306	4,730
Industry promotion and marketing expenses		76,330	47,547
Insurances		24,238	17,479
Interest expense		1,450	-
Magazine and newsletter expenses		6,275	6,253
Merchandise		27,325	3,247
Occupancy & property expenses		35,728	36,998
Office Relocation Expenses		-	6,334
Printing, stationery and postage		15,169	12,305
Professional fees - accounting/legal/member mediation		21,162	9,621
Regional expenditure	2	270,672	261,334
Registration & membership expenses		48,739	46,257
Rental expenses on operating leases		-	2,247
Research and development costs		-	3,000
Salary, wages, and superannuation contributions		235,965	202,069
Staff recruitment expenses		534	31,109
Showing and judging expenses		42,682	34,614
Telephone and fax		4,233	10,240
Education & Training		10,993	15,508
Travel, accommodation and meeting expenses		52,132	53,889
Investment Expense		8,451	-
Other expenses		3,052	12,354
TOTAL EXPENDITURE		1,116,276	1,051,921
NET (DEFICIT)/ SURPLUS BEFORE INCOME TAX	14	(32,645)	14,869
Income tax expense		-	-
NET (DEFICIT)/SURPLUS FOR THE YEAR		(32,645)	14,869
NET (DEFICIT)/SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ENTITY		(32,645)	14,869

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

STATEMENT OF COMPREHENSIVE INCOME

NOTE	2019	2018
	\$	\$
NET (DEFICIT)/SURPLUS FOR THE YEAR	(32,645)	14,869
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	-	-
TOTAL OTHER COMPREHENSIVE (DEFICIT)/INCOME FOR THE YEAR	<hr/> <hr/> (32,645)	<hr/> <hr/> 14,869
TOTAL COMPREHENSIVE (DEFICIT)/INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY	<hr/> <hr/> (32,645)	<hr/> <hr/> 14,869

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

STATEMENT OF FINANCIAL POSITION

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	860,100	1,073,952
Trade and other receivables	4	41,252	37,577
Other assets	5	63,209	52,531
Inventory	6	27,624	24,554
TOTAL CURRENT ASSETS		992,185	1,188,614
NON-CURRENT ASSETS			
Investments	7	885,000	-
Property, plant and equipment	8	155,996	845,200
TOTAL NON - CURRENT ASSETS		1,040,996	845,200
TOTAL ASSETS		2,033,181	2,033,814
CURRENT LIABILITIES			
Trade and other payables	9	108,031	139,246
Income in advance	10	141,673	226,251
Short term provisions	11	13,268	49
Borrowings	13	9,864	-
TOTAL CURRENT LIABILITIES		272,836	365,546
TOTAL LIABILITIES		272,836	365,546
NET ASSETS		1,760,345	1,668,268
EQUITY			
Retained earnings		1,123,125	1,155,770
Revaluation asset reserve		417,220	292,498
General reserve		220,000	220,000
TOTAL EQUITY		1,760,345	1,668,268

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

STATEMENT OF CHANGES IN EQUITY

	Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 30 June 2017	1,140,901	292,498	220,000	1,653,399
Comprehensive Income				
Surplus attributable to the entity	14,869	-	-	14,869
Total comprehensive Income	14,869	-	-	14,869
Balance at 30 June 2018	1,155,770	292,498	220,000	1,668,268
Comprehensive Income/(Deficit)				
Deficit attributable to the entity	(32,645)	-	-	(32,645)
Revaluation	-	124,722	-	124,722
Total comprehensive Income/ (Deficit)	(32,645)	124,722	-	92,077
Balance at 30 June 2019	1,123,125	417,220	220,000	1,760,345

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

STATEMENT OF CASH FLOWS

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and tenants and government grants		899,020	1,146,557
Receipts from sales of publications and advertising		223	17,988
Receipts from sales of merchandise		31,781	40,249
Interest received		11,354	16,908
Payments to suppliers and employees		(1,092,019)	(952,832)
Interest paid		(1,450)	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	19(b)	<u>(151,091)</u>	<u>268,870</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of Investment		-	70,000
Payment for property, plant & equipment		(72,625)	(136,529)
NET CASH USED IN INVESTING ACTIVITIES		<u>(72,625)</u>	<u>(66,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		31,631	-
Repayment of borrowings		(21,767)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>9,864</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(213,852)</u>	<u>202,341</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>1,073,952</u>	<u>871,611</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	3,19(a)	<u>860,100</u>	<u>1,073,952</u>

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Australian Alpaca Association Limited as an individual entity, incorporated and domiciled in Australia. Australian Alpaca Association Limited is a not-for-profit company.

Statement of Compliance

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to meet the needs of the members.

The financial report has been prepared in accordance with 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 the previous period unless stated otherwise.

Basis of Preparation

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 1031 'Materiality', 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 modified where applicable by the measurement of selected non-current assets.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

The Company is a non-profit income tax-exempt organisation and accordingly under Section 50-40 of Division 50 of the 1997 Income Tax Assessment Act is not subject to Income tax on its income and expenses.

(b) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at banks, cash on deposit at call and term deposits with maturities of less than three months.

(c) Investment Property

Freehold land and building has been reclassified as an investment property due to the Company ceasing occupancy from the 1st August 2018. As at this date, a director valuation was undertaken, valuing the property at \$832,000. The \$885,000 fair value as at 30 June 2019 was obtained by using the valuation prepared by Peter Lawrence of Lawrence Commercial Valuers. The directors have determined that the \$53,000 gain in fair value is attributable to the period that the company ceased to occupy the property.

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The Increase of \$124,722 is the carrying amount arising on revaluation of land and buildings that are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are charged against fair value reserves directly in equity. All other decreases are charged to the statement of comprehensive income.

(d) Property, Plant and Equipment

Property

Freehold land and building at Unit 2, 613 Whitehorse Road Mitcham has been reclassified as an investment due to the Company ceasing occupancy on the 1st August 2018, refer (c) above.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

National Office

Depreciation is provided on office furniture, fittings and equipment. Depreciation is calculated on a straight-line basis so as to write off the cost of any computer equipment over a three year period and all other assets over a five year period, from the time the asset is held ready for use. Assets costing less than \$500 are expensed in full.

Leasehold Improvements

All improvements to the company's leasehold property, being Level 1 95 Northbourne Avenue, Turner, ACT are measured on a cost basis less amortisation and impairment losses. Leasehold Improvements are amortised over the period of the lease.

Regions

Regional plant and equipment consists mainly of display equipment, pen panels, gates, etc, which due to their heavy usage are written off over a three year period using the straight-line method of depreciation. Any asset purchases costing less than \$500 are written off as an expense in the year incurred.

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

Building	2.5%
Leasehold Improvements	14%
Computer equipment	25%
Furniture, fittings and other equipment	20%
Regional plant and equipment	20%

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 assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is expensed to the Statement of Profit or Loss.

(f) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost..

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the Company's exposure to credit risk can be found in the accounting policy note on Investments and Other Financial Assets and in Note 1(g) and 1(s).

(g) Investments and Other Financial Assets

(1) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- (ii) those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company measures its investments and other financial assets at amortised cost.

(2) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(3) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(4) Impairment

From 1 July 2018, for trade receivables the Company assesses whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB 9

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 1(f) and Note 1(s).

The Company has applied AASB 9 retrospectively, but this has not had a material impact on the comparative information.

Until 30 June 2018, the Company classified its financial assets in the following categories:

- (i) financial assets at fair value through profit or loss;
- (ii) loans and receivables;
- (iii) held-to-maturity investments; and
- (iv) available-for-sale financial assets.

5) Accounting policies applied until 30 June 2018

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

Reclassification

The Company could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Company could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Company had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

Subsequent measurement

The measurement at initial recognition did not change on adoption of AASB 9, see description above. Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

For financial assets at FVPL, gains or losses arising from changes in the fair value were recognised in profit or loss within other gains/(losses).

Impairment

The Company assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost

For receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit

rating), the reversal of the previously recognised impairment loss was recognised in profit or loss. Refer to Note 1(f) and Note 1(s).

(h)Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employees are entitled to four weeks annual leave each year and a provision for annual leave (measured at its nominal amount owing at the end of the reporting period) has been recorded as a current liability in the financial statements, with the benefits being expected to be extinguished during the next financial year. The provision for annual leave includes a leave loading component.

A provision for long service leave is recorded in the financial statements for employees with greater than seven years' service.

No provision for personal leave has been recorded in the financial statements as although personal leave is cumulative, it is not paid out when an employee leaves the Company's employment.

(i)Provisions

Provisions are recognised when the entity 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 estimates at the current time of the amounts required to settle the obligation at reporting date.

(j)Intangibles

Research and Development Expenditure

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

ii *Intangible assets acquired separately*

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(k)Inventory of Merchandise and Publications

Inventory on hand consists mainly of ear tags, ear tag applicators, show uniforms, promotional material and reference material. Merchandise held for sale is measured at cost and adjusted to net realisable value when cost exceeds sales potential.

(l)Revenue

Revenue is recognised at the fair value of the consideration received.

Revenue from rendering service is recognised upon delivery of service to the members and/or customers. Revenue from the sale of merchandise and publications is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Interest received is recognised using the effective interest rate method which, for floating rate financial assets, is the rate inherent in the instrument.

Dividends received are recognised when they are received or when the right to receive payment is established.

(m) Membership Subscription Revenue/Advance Revenue

Membership subscription notices for the year ending 30 June 2020 were forwarded to members in June 2019. Amounts paid by members before 30 June 2019 have been included as a Current Liability-Advance Revenue, in the financial statements.

Income in advance relates to income received before reporting date and has been recorded in the Statement of Financial Position as a liability. The income in advance includes member's subscriptions for the 2019/2020 financial year and National Show & Sale Income received in advance.

(n) Prepayments

Expenses prepaid in relation to events occurring after balance date have been recorded in the Statement of Financial Position. This also reflects the National Show and Sale being held in August 2019. Expenditure in relation to these events has been recorded in the Statement of Financial Position as a current asset.

(o) Good and Services Tax (GST)

Revenue, 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 costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are inclusive of GST.

(p) Leased Assets

All leases that the Company has entered into are classified as operating leases, where substantially all the risks, benefits and ownership remain with the lessor of the assets. Lease payments are charged as expenses in the period in which they are incurred.

(q) Economic Dependence

The Company is dependent upon membership subscriptions and animal registration fees for the majority of its revenue. As at the date of this report, the Directors are aware that there are external factors (global financial situation and climate conditions) that will affect these sources of Company Income.

(r) Comparative Figures

Where required by Accounting Standards and where appropriate, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(s) Critical Accounting Estimates and Judgements

The Board of Directors evaluates estimates and judgements incorporated into the Financial Report 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.

**Key Estimates -
Impairment**

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key elements.

Provision for impairment of receivables

The Company's policy for allowance for doubtful receivables is based on the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables and considers an assessment of recoverability and ageing analysis of outstanding accounts and management's estimates. The Board of Directors believe that all trade receivables are recoverable.

(t)Adoption of New and Revised Accounting Standards

The company has adopted the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards impacted the recognition, measurement and disclosure of certain transactions. No material impacts occurred in the current financial year.

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2 REGIONAL INCOME & EXPENDITURE	2019	2018
	\$	\$
REVENUE		
Advertising/sponsorship	17,454	12,340
Auction income	9,801	8,075
Education and training	4,187	9,405
Interest received	532	124
Merchandise & asset sales	13,360	19,866
Newsletter income	453	1,308
Show/event income	209,779	151,950
Sundry & website	20,928	10,891
	<hr/>	<hr/>
	276,494	213,959
EXPENDITURE		
Advertising/sponsorship/trophies	28,758	15,356
Auction expenses	1,075	-
Depreciation of assets	4,849	6,924
General administration expenses	10,667	9,636
Merchandise purchases	11,041	16,525
Newsletter expenses	947	590
Show/event expenses	191,957	179,911
Sundry & equipment expenses	17,118	21,010
Training/courses	4,260	11,382
	<hr/>	<hr/>
	270,672	261,334
	<hr/>	<hr/>
NET REGIONAL SURPLUS / (DEFICIENCY)	5,822	(47,375)
	<hr/>	<hr/>
3 CASH AND CASH EQUIVALENTS		
Petty cash float and cash on hand	700	320
Cash at bank - operating account	270,265	153,857
Cash at bank - cash management account	204	84,062
Cash at bank - term deposits	158,417	488,417
Cash at bank - provision account	5	4
Cash at bank-youth account	9,538	5,312
Cash at bank- national show account	1	-
Cash at bank and on hand - region accounts	200,452	163,111
Cash at bank - region investment accounts	171,003	178,869
Cash at bank – youth development account	4,299	-
Cash at bank – commercial development account	1,815	-
Cash at bank – research & development account	43,401	-
	<hr/>	<hr/>
	860,100	1,073,952
	<hr/>	<hr/>

4 TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
CURRENT		
Trade receivables- members	22,866	34,960
Interest Receivable	735	1,115
Sundry debtors – regions	17,651	1,502
	<u>41,252</u>	<u>37,577</u>

5 OTHER ASSETS

	2019	2018
	\$	\$
CURRENT		
Prepayments - show & sale/events	2,746	18,358
Prepayments – other	60,463	34,173
	<u>63,209</u>	<u>52,531</u>

6 INVENTORY

Stock on hand - national office, Turner	25,096	22,108
Stock on hand – regions	2,528	2,446
	<u>27,624</u>	<u>24,554</u>

7 INVESTMENTS

	2019	2018
	\$	\$
NON-CURRENT		
Investment Property – Unit2, 613 Whitehorse Road, Mitcham at Fair value	885,000	-
	<u>885,000</u>	<u>-</u>

The property was valued by Lawrence Commercial on 30 June 2019.

8 PROPERTY, PLANT AND EQUIPMENT

Freehold land at fair value	-	385,000
Building at fair value	-	340,000
Less: accumulated depreciation on buildings	-	(17,000)
	<u>-</u>	<u>708,000</u>
Leasehold Improvements - at cost	31,754	31,534
Less: accumulated depreciation	(4,505)	(375)
	<u>27,249</u>	<u>31,159</u>
Office furniture, fittings and other equipment - at cost	266,257	351,670
Less: accumulated depreciation	(149,817)	(250,442)
	<u>116,440</u>	<u>101,228</u>
Plant & equipment - regions - at cost	245,397	233,053
Less: accumulated Depreciation	(233,090)	(228,240)
	<u>12,307</u>	<u>4,813</u>
Total property, plant and equipment	<u>155,996</u>	<u>845,200</u>

9 TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
CURRENT		
Trade payables	54,534	89,182
Credit Card Liabilities	1,408	-
Sundry creditors	47,103	9,907
Accrued expenses	1,761	31,646
GST Payable	3,225	8,511
	<u>108,031</u>	<u>139,246</u>

10 INCOME IN ADVANCE

Advance revenue - members subscriptions	129,177	156,213
Advance revenue – other	12,496	70,038
	<u>141,673</u>	<u>226,251</u>

11 OTHER CURRENT PROVISIONS

Provision for annual leave	13,268	49
	<u>13,268</u>	<u>49</u>

12 EMPLOYEE BENEFITS

The aggregate employee benefits liability recognised and included in the financial statement is as follows:

Provision for employee benefits Current (Note 11)	13,268	49
	<u>13,268</u>	<u>49</u>

13 BORROWINGS

Loan – Macquarie Premium Funding	9,864	-
	<u>9,864</u>	<u>-</u>

14 SEGMENT REPORTING

Net Surplus/(Deficit) by Operating Segment		
National Operations	(40,180)	62,606
Regional Operations	5,822	(47,375)
Youth Groups	1,713	(362)
	<u>(32,645)</u>	<u>14,869</u>

15 CONTINGENT LIABILITIES

No material contingent liabilities exist at the date of this report (2018: Nil)

16 OPERATING LEASE COMMITMENTS

(a) Property lease – Lvl 1, 95 Northbourne Ave, Turner, ACT

Total minimum future lease payments payable:

-not later than 1 year	41,521	40,312
-later than 1 year but not later than 5 years	83,046	124,567
	<u>124,567</u>	<u>164,879</u>

(b) Rent of Photocopier (Turner)

Total minimum future lease payments payable:

-not later than 1 year	1,676	699
-later than 1 year but not later than 5 years	6,007	7,684
	<u>7,683</u>	<u>8,393</u>

(c) Rent of Photocopier (Mitcham)

Total minimum future lease payments payable:

-not later than 1 year	-	1,769
-later than 1 year but not later than 5 years	-	589
	<u>-</u>	<u>2,358</u>

(d) Rent of Postage Meter

Total minimum future lease payments payable:

-not later than 1 year	3,747	3,747
-later than 1 year but not later than 5 years	7,493	11,240
	<u>11,240</u>	<u>14,987</u>

17 MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, page 5 of the Constitution states that each member is required to contribute a maximum of \$20 (2018: \$20) each towards outstanding obligations of the Company while they are a member or within one year of their membership ceasing. At 30 June 2019, the number of members was 1,210 (30 June 2018: 1,214).

18 EVENTS SUBSEQUENT TO REPORTING DATE

The Company has lodged an export grant application in relation to the 2018/19 industry export promotion activities, the value of which is anticipated to be \$30,091.

2019
\$

2018
\$

19 CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Petty cash float/cash in transit	700	320
Cash at bank - operating account	270,265	153,857
Cash at bank - cash management account	204	84,062
Cash at bank - term deposit accounts	158,417	488,417
Cash at bank - provision account	5	4
Cash at bank-youth group account	9,538	5,312
Cash at bank- national sale account	1	-
Cash at bank and on hand - region accounts	200,452	163,111
Cash at bank - region investment accounts	171,003	178,869
Cash at bank - youth development account	4,299	-
Cash at bank - commercial development account	1,815	-
Cash at bank – research & development account	43,401	-
	<u>860,100</u>	<u>1,073,952</u>

(b) Reconciliation of Cash Flow from Operation with (Deficit)/Surplus after Income Tax

(Deficit)/Surplus after Income Tax	(32,645)	14,869
Non-cash flow items in (Deficit)/Surplus		
Amortisation & Depreciation of non-current assets	54,551	39,500
Unrealised gain in fair value of investments	(53,000)	-
Provisions & employee benefits	13,219	(26,442)
Changes in assets and liabilities		
(Increase)/decrease in trade & other receivables	(3,675)	25,516
(Increase)/decrease in prepayments	(10,678)	10,905
(Increase) in inventories	(3,070)	(4,774)
(Decrease)/increase in trade & sundry creditors	(31,215)	79,900
(Decrease)/increase in advance revenue	(84,578)	129,396
Cash flows (used in)/ provided by operating activities	<u>(151,091)</u>	<u>268,870</u>

(c) Credit Standby Arrangements with Banks

Credit card facility (MasterCard)	5,000	5,000
Amount utilised as at 30 June	<u>(1,408)</u>	<u>(1,221)</u>
Unused credit facility	<u>3,592</u>	<u>3,779</u>

20 RELATED PARTY TRANSACTIONS

Directors were not provided with any remuneration during the financial year other than Dr Sue Harris who

is a partner of Madgwicks Lawyers who were paid \$1,815 legal fees and Mr Andrew Hulme who is a partner in Adagio Mills who were paid \$110 for the supply of sample fibre product stock.

21 ENTITY DETAILS

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

Australian Alpaca Association Limited
Level 1 95 Northbourne Avenue ,Turner 2617

**DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

The board of 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 declare that:

1. The financial statements set out on pages 8 to 25 present fairly the company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Ian Frith
President



Steven O'Keefe
Treasurer

Dated 18 September 2019

Independent Auditor's Report to the Members of Australian Alpaca Association Limited

Opinion

We have audited the financial report of Australian Alpaca Association Limited (the Company), which comprises the statement of financial position as at 30 June 2019, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2019 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 Qualified Opinion

Disclosed in Note 2 to the financial statements is income and expenditure pertaining to the regional branches of Australian Alpaca Association Limited. This is also shown in the income statement as net regional expenditure. We were unable to obtain sufficient appropriate audit evidence regarding these balances. Consequently, we were unable to determine whether any adjustments to these balances were deemed necessary.

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Other Information

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 2019, 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 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for 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.

The directors are responsible for overseeing the Company's financial reporting process.

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 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 those charged with governance.

- Conclude on the appropriateness of the those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity'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 registered entity 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 responsible entities 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.

Crowe Vic

CROWE VIC

G. Robertson

GORDON ROBERTSON
Partner

Dated at Pakenham this 18th day of September 2019