

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Financial Statements

For the Year Ended 30 June 2018

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Contents

For the Year Ended 30 June 2018

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Responsible Persons' Declaration	14
Independent Audit Report	15

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	10,351,450	8,373,598
Employee benefits expense		(3,274,931)	(2,894,318)
Depreciation		(4,829)	(33,191)
Other expenses		(7,162,500)	(5,025,338)
Profit before income tax		(90,810)	420,751
Income tax expense		-	-
Profit for the year		(90,810)	420,751
Total comprehensive income for the year		(90,810)	420,751

The accompanying notes form part of these financial statements.

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	8,839,183	6,235,227
Trade and other receivables		130,587	240,336
Other assets	8	48,481	27,340
TOTAL CURRENT ASSETS		<u>9,018,251</u>	<u>6,502,903</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	11,353	5,641
TOTAL NON-CURRENT ASSETS		<u>11,353</u>	<u>5,641</u>
TOTAL ASSETS		<u>9,029,604</u>	<u>6,508,544</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,854,399	592,791
Short-term provisions	10	304,426	324,074
TOTAL CURRENT LIABILITIES		<u>2,158,825</u>	<u>916,865</u>
NON-CURRENT LIABILITIES			
Long-term provisions	10	95,735	145,727
TOTAL NON-CURRENT LIABILITIES		<u>95,735</u>	<u>145,727</u>
TOTAL LIABILITIES		<u>2,254,560</u>	<u>1,062,592</u>
NET ASSETS		<u>6,775,044</u>	<u>5,445,952</u>
EQUITY			
Reserves	11	5,750,373	4,330,471
Retained earnings		1,024,671	1,115,481
TOTAL EQUITY		<u>6,775,044</u>	<u>5,445,952</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2017	1,115,481	4,330,471	5,445,952
Surplus for the year	1,472,605	-	1,472,605
Net movement from retained earnings to reserves	(1,563,415)	1,563,415	-
Transfer to NQ NRM Alliance Ltd	-	(143,513)	(143,513)
Balance at 30 June 2018	1,024,671	5,750,373	6,775,044

2017

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2016	949,144	4,082,919	5,032,063
Profit for the year	413,889	-	413,889
Net movement from retained earnings from reserves	(247,552)	247,552	-
Balance at 30 June 2017	1,115,481	4,330,471	5,445,952

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	11,728,731	8,576,643
Payments to suppliers and employees	(9,266,604)	(8,327,624)
Interest received	152,372	140,087
Net cash provided by/(used in) operating activities	<u>2,614,499</u>	<u>389,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(10,542)</u>	-
Net cash used by investing activities	<u>(10,542)</u>	-
Net increase/(decrease) in cash and cash equivalents held	2,603,957	389,106
Cash and cash equivalents at beginning of year	<u>6,235,227</u>	<u>5,846,121</u>
Cash and cash equivalents at end of financial year	6 <u>8,839,184</u>	<u>6,235,227</u>

The accompanying notes form part of these financial statements.

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

The financial report covers FNQ NRM Ltd Trading As Terrain NRM as an individual entity. FNQ NRM Ltd Trading As Terrain NRM is a not-for-profit Company, registered and domiciled in Australia.

The principal activity of the Company for the year ended 30 June 2018 was the delivery of the National Landcare Program and the Reef Trust Program which aims to improve the water quality of the Great Barrier Reef by enabling landholders to change practices in cane, grazing, dairy, horticulture, bananas, grains and cropping. No significant changes in the nature of the Company's activity occurred during the financial year.

The functional and presentation currency of FNQ NRM Ltd Trading As Terrain NRM is Australian dollars.

The financial report was authorised for issue by those charged with governance on the date of signing the Reponsible Persons' Declaration.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Interest is recognised using the effective interest method

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Revenue and other income

FNQ NRM Ltd Trading As Terrain NRM receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

(e) Property, plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

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

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

Fixed asset class	Depreciation rate
Plant and Equipment	6.67% - 25%
Furniture and Fittings	20%
Office Furniture and Equipment	6.67% - 25%
Computer Equipment	20% - 30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Economic dependence

FNQ NRM Ltd Trading As Terrain NRM is dependent on the Australian Commonwealth and State Governments for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Australian Commonwealth and State Governments will not continue to support FNQ NRM Ltd Trading As Terrain NRM, as funding agreements have been signed and executed.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

3 Critical Accounting Estimates and Judgments

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue

	2018	2017
	\$	\$
Project income	10,098,983	8,175,477
Interest received	152,372	140,087
Membership	30,000	-
Miscellaneous Income & donations	70,096	58,035
Total Revenue	10,351,450	8,373,599

5 Result for the Year

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Superannuation	265,984	229,553
Grants to landowners	2,464,127	1,571,128
Contracts - Technical support	1,634,939	1,713,857
Contracts - Ongoing	513,000	485,917
Technical Services - Projects	380,520	148,380

6 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	500	500
Bank balances	3,462,060	1,826,635
Short-term deposits	5,376,623	4,408,092
Total cash and cash equivalents	8,839,183	6,235,227

7 Property, plant and equipment

Plant and equipment		
At cost	10,265	10,265
Accumulated depreciation	(10,265)	(10,264)
Total plant and equipment	-	1

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

7 Property, plant and equipment

Furniture and fittings		
At cost	134,697	134,697
Accumulated depreciation	(134,697)	(130,268)
Total furniture and fittings	-	4,429
Office equipment		
At cost	43,528	43,528
Accumulated depreciation	(42,551)	(42,317)
Total office equipment	977	1,211
Computer equipment		
At cost	124,341	113,799
Accumulated depreciation	(113,965)	(113,799)
Total computer equipment	10,376	-
Total property, plant and equipment	11,353	5,641

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Furniture and Fittings	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of the year	1	4,428	1,211	-	5,640
Additions	-	-	-	10,542	10,542
Depreciation expense	(1)	(4,428)	(234)	(166)	(4,829)
Balance at the end of the year	-	-	977	10,376	11,353

8 Other Assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	10,435	-
Accrued interest	23,046	27,340
Rental bond securities	15,000	-
Total other assets	48,481	27,340

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

9 Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
Trade payables	1,403,106	367,768
GST payable	10,830	33,745
Accrued wages	58,000	64,382
Accrued expense	328,846	43,790
PAYG withholding payable	53,617	56,840
Superannuation payable	-	20,741
Other payables	-	5,524
Total trade and other payables	1,854,399	592,790

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

10 Provisions

	2018	2017
	\$	\$
CURRENT		
Provision for long service leave	107,033	107,135
Provision for annual leave	197,393	216,939
Total current provisions	304,426	324,074
NON-CURRENT		
Provision for long service leave	95,735	145,727
Total non-current provisions	95,735	145,727

11 Reserves

	2018	2017
	\$	\$
General reserve		
Opening balance	812,326	913,392
Transfers in	15,280	-
Transfers out	(207,193)	(101,066)
	620,413	812,326
Unexpended grants reserve		
Opening balance	2,929,418	2,640,209
Transfers in	1,727,528	289,209
	4,656,946	2,929,418

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

11 Reserves

	2018	2017
	\$	\$
Natural Capital Fund reserve		
Opening balance	74,018	131,682
Transfers out	(15,297)	(57,664)
	<u>58,721</u>	<u>74,018</u>
Business Continuity reserve		
Opening balance	514,709	397,635
Transfers in	43,097	117,074
Transfer to NQ NRM Alliance Ltd	(143,513)	-
	<u>414,293</u>	<u>514,709</u>
Total	<u><u>5,750,373</u></u>	<u><u>4,330,471</u></u>

12 Leasing Commitments

Operating leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	123,625	92,081
- between one year and five years	115,704	11,875
	<u>239,329</u>	<u>103,956</u>

Operating leases are in place for office equipment and motor vehicles and normally have a term between 1 and 5 years. Lease payments are increased on an annual basis to reflect market rentals.

13 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* 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 \$ 10 each towards meeting any outstandings and obligations of the Company.

14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of FNQ NRM Ltd Trading As Terrain NRM during the year are as follows:

	2018	2017
	\$	\$
Short-term employee benefits	600,491	563,136
Long-term benefits	81,908	66,892
Post-employment benefits	59,930	54,040
	<u>742,329</u>	<u>684,068</u>

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

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

15 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

16 Related Parties

The Company's main related parties are as follows:

Key management personnel - refer to Note 14.

FNQ NRM Ltd trading as Terrain NRM aligned with Cape York Natural Resource Management Ltd and Northern Gulf Resource Management Group Ltd and created a new entity, NQ NRM Alliance Ltd to perform the corporate services role for all 3 NRMs centrally. Board members from FNQ NRM Ltd trading as Terrain NRM are present on the board of NQ NRM Alliance Ltd. Due to this relationship, The NQ NRM Alliance Ltd is noted as a related party to FNQ NRM Ltd trading as Terrain NRM.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

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

The following transactions occurred with related parties:

	Purchases	Sales	Balance outstanding	
			Owed to the company	Owed by the company
NQ NRM Alliance Ltd				
External corporate services	833,730	11,140	8,034	67,716

17 Events after the end of the Reporting Period

The financial report was authorised for issue on the date of signing the Responsible Person's Declaration by those charged with governance.

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.

FNQ NRM Ltd Trading As Terrain NRM

ABN: 53 106 385 899

Responsible Persons' Declaration

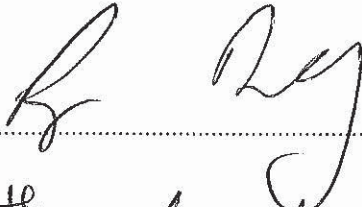
The responsible persons declare that in the responsible persons' opinion:

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

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



Responsible person



Responsible person

Dated this 30th day of August 2018

FNQ NRM Ltd

Independent Auditor's Report to the Members of FNQ NRM Ltd

Opinion

We have audited the financial report of FNQ NRM Ltd, 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 responsible persons' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

FNQ NRM Ltd

Independent Auditor's Report to the Members of FNQ NRM Ltd (Cont.)

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.

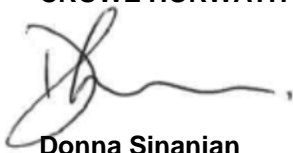
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 entity'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 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 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 the auditor's report. However, future events or conditions may cause the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



CROWE HORWATH AUDIT QUEENSLAND



Donna Sinanian

Partner

Townsville, 14 / 09 / 2018.

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 Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.