



**RPM Automotive Group**  
**Consolidated Financial Statements**  
**For the Year Ended 30 June 2018**

**RPM Automotive Group  
Consolidated Statement of Profit or Loss  
For the Year ended 30 June 2018**



	<b>2018</b>	<b>2017</b>
	\$	\$
Income	33,415,070	22,492,759
Cost of Goods Sold	22,027,376	13,678,629
<b>Gross Profit</b>	<b>11,387,694</b>	<b>8,814,130</b>
Other Revenue	720,768	465,014
Distribution Expenses	877,887	278,764
Selling Expenses	297,921	213,991
Administration Expenses	1,896,678	1,694,740
Finance Costs	347,568	259,115
Occupancy Costs	1,134,734	1,006,642
Employment Costs	5,505,323	4,575,741
Other Expenses	142,843	-
<b>Profit before Income Tax Expense</b>	<b>1,905,508</b>	<b>1,250,151</b>
<b>Income Tax Expenses</b>	<b>507,878</b>	<b>134,956</b>
<b>Profit from Operations</b>	<b>1,397,630</b>	<b>1,115,195</b>

The accompanying notes form part of these financial statements.

**RPM Automotive Group  
Consolidated Statement of  
Financial Position  
As at 30 June 2018**



	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	348,091	705,924
Trade and Other Receivables	4	4,296,031	3,130,418
Inventories	5	5,071,123	4,539,682
Other Current Assets	7	24,430	25,564
<b>Total Current Assets</b>		<b>9,739,675</b>	<b>8,401,588</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	4	82,804	82,804
Property, Plant and Equipment	8	1,102,072	1,046,709
Intangible Assets	9	1,426,893	911,406
<b>Total Non-Current Assets</b>		<b>2,611,769</b>	<b>2,040,919</b>
<b>Total Assets</b>		<b>12,351,444</b>	<b>10,442,507</b>
<b>Current Liabilities</b>			
Trade and Other Payables	10	4,225,925	4,048,719
Current Tax Liabilities	6	735,449	138,712
Financial Liabilities	11	2,835,325	2,362,777
Short Term Provisions	12	517,711	285,294
<b>Total Current Liabilities</b>		<b>8,314,410</b>	<b>6,835,502</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	11	1,911,132	2,127,108
<b>Total Non-Current Liabilities</b>		<b>1,911,132</b>	<b>2,127,108</b>
<b>Total Liabilities</b>		<b>10,225,542</b>	<b>8,962,610</b>
<b>Net Assets</b>		<b>2,125,902</b>	<b>1,479,897</b>
<b>Equity</b>			
Issued Capital		428	4,189,902
Reserves	13	(85,484)	(3,648,332)
Retained Profits	14	2,210,958	938,327
<b>Total Equity</b>		<b>2,125,902</b>	<b>1,479,897</b>

The accompanying notes form part of these financial statements.



# **RPM Automotive Group**

## **Notes to the Consolidated Financial Statements**

### **For the Year ended 30 June 2018**

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#### **1 Significant Accounting Policies**

The Directors of RPM Australasia Pty Ltd have prepared the consolidated financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The consolidated financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have 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**

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

##### **(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

##### **(b) Provisions**

Provisions are recognised when the group 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

##### **(c) Employee Benefits**

Provision is made for the group'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.



**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

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(d) **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 their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and buildings' carrying value is not materially different to the fair value.

Increases in the carrying value arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying value of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and Equipment**

Plant and equipment are measured on the cost basis.

(e) **Foreign Currency Transactions and Balances**

**Functional and Presentation Currency**

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transactions and Balances**

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transactions

(f) **Income Tax**

The income tax expense (revenue) for the reporting period comprises current income tax expense (income). The company does not apply tax effect accounting.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

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(g) **Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

(h) **Intangibles**

Goodwill is carried at cost less accumulated impairment losses.

Goodwill is tested annually for impairment and is allocated to the group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gain and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 5 to 20 years.

(i) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the financial statements.

(j) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

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(k) **Revenue and Other Income**

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

(l) **Trade and Other Payables**

Trade payables are obligations on the basis of normal credit terms at the end of the reporting period and do not bear interest. They are recognised at their transaction price.

(m) **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 balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(o) **Comparative Figures**

The comparative results presented are for the 12 months period ended 30th June 2017 and exclude the results of RW Tyres Pty Ltd.

Where appropriate, comparative figures have been adjusted to confirm to changes in presentation for the current financial period.

(p) **Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the entities. A list of the entities is provided in the Note 15.

The assets, liabilities and results of all entities are fully consolidated into the financial statements of the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of entities have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.



**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

<b>2</b>	<b>Revenue</b>	<b>2018</b> \$	<b>2017</b> \$
	<b>Sales Revenue</b>		
	Sale of Goods	33,415,070	22,492,759
	<b>Other Income</b>		
	Discounts Received	382,757	3,195
	Interest Received	672	2,506
	Rebates	51,172	340,358
	Recoveries	99,212	46,803
	Other Revenue	178,067	54,748
	Government Subsidies	8,888	6,802
	Foreign Currency Exchange Gain	-	10,602
		720,768	465,014
		34,135,838	22,957,773
<b>3</b>	<b>Cash and Cash Equivalents</b>	<b>2018</b> \$	<b>2017</b> \$
	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	906	706
	Cash in transit	26,291	(712)
	Petty Cash Imprest	400	400
	Cash at Bank	464,376	265,607
	Cash at Bank	70,691	64,560
	Cash at Bank	200,933	89,355
	Cash at Bank	798	203,526
	Cash at Bank	25,128	82,006
	Cash at Bank	100	100
	Cash at Bank	6,194	376
	<b>Total Cash and Cash Equivalents</b>	<b>795,817</b>	<b>705,924</b>
	<b>Cash Reconciliation</b>		
	Cash and Cash Equivalents	795,817	705,924
	ANZ Trading Facility	(447,726)	-
		<b>348,091</b>	<b>705,924</b>
<b>4</b>	<b>Trade and Other Receivables</b>	<b>2018</b> \$	<b>2017</b> \$
	<b>Current</b>		
	Sundry Debtors	26,421	7,549
	Trade Debtors	4,290,586	3,103,094
	Less Provision for Doubtful Debts	(69,482)	(3,200)
	Other Debtors	48,506	22,975
		<b>4,296,031</b>	<b>3,130,418</b>
	<b>Non-Current</b>		
	Deposits	82,804	82,804
		<b>82,804</b>	<b>82,804</b>
	<b>Total Trade and Other Receivables</b>	<b>4,378,835</b>	<b>3,213,222</b>

*The accompanying notes form part of these financial statements.*





**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

<b>5 Inventories</b>	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Current</b>		
Stock on Hand	4,718,322	4,316,898
Raw Materials	352,801	222,784
	<b>5,071,123</b>	<b>4,539,682</b>
<b>Total Inventories</b>	<b>5,071,123</b>	<b>4,539,682</b>
<b>6 Tax Assets and Liabilities</b>	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Liabilities</b>		
Current Tax Liability	735,449	138,712
<b>Net Tax Liabilities</b>	<b>(735,449)</b>	<b>(138,712)</b>
<b>7 Other Assets</b>	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Current</b>		
Prepayments	17,528	15,956
Prepaid Borrowing Expenses	13,531	13,531
Less Amortisation	(6,629)	(3,923)
	6,902	9,608
	<b>24,430</b>	<b>25,564</b>
<b>Total Other Assets</b>	<b>24,430</b>	<b>25,564</b>
<b>8 Property, Plant and Equipment</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Property Improvements	267,834	267,834
Less Accumulated Depreciation & Impairment	(67,062)	(61,914)
	200,772	205,920
<b>Total Land and Buildings</b>	<b>200,772</b>	<b>205,920</b>
Plant & Equipment	1,659,160	1,601,012
Less: Accumulated Depreciation	(1,190,868)	(1,112,318)
	468,292	488,694
Motor Vehicles	498,073	591,333
Less: Accumulated Depreciation	(314,801)	(381,915)
	183,272	209,418
Office Furniture & Equipment	364,259	358,649
Less: Accumulated Depreciation	(254,402)	(229,925)
	109,857	128,724
General Pool	139,879	13,953
<b>Total Plant and Equipment</b>	<b>901,300</b>	<b>840,789</b>
<b>Total Property, Plant and Equipment</b>	<b>1,102,072</b>	<b>1,046,709</b>

*The accompanying notes form part of these financial statements.*



**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

9	<b>Intangible Assets</b>	<b>2018</b>	<b>2017</b>
		\$	\$
	Formation Expenses	73,865	33,378
	Goodwill	1,197,727	872,727
	Patents & Trademarks	155,301	5,301
	<b>Total Intangible Assets</b>	<b>1,426,893</b>	<b>911,406</b>
10	<b>Trade and Other Payables</b>	<b>2018</b>	<b>2017</b>
		\$	\$
	<b>Current</b>		
	Sundry Creditors	42,822	51,294
	Trade Creditors	3,761,952	3,359,871
	Other Creditors	220,195	507,172
	Customer Deposits	7,604	7,604
	Provision for GST	193,352	122,778
		<b>4,225,925</b>	<b>4,048,719</b>
	<b>Total Trade and Other Payables</b>	<b>4,225,925</b>	<b>4,048,719</b>
11	<b>Financial Liabilities</b>	<b>2018</b>	<b>2017</b>
		\$	\$
	<i>Related Party Loans</i>		
	Related Party Loans	2,232,194	1,979,290
	<b>Hire Purchase</b>		
	Hire Purchase Liability	43,266	82,884
	Less Unexpired Charges	2,931	7,957
		40,335	74,927
	Loans - Bank	562,796	308,560
	<b>Total Current</b>	<b>2,835,325</b>	<b>2,362,777</b>
	<b>Non-current</b>		
	<b>Hire Purchase</b>		
	Hire Purchase Liability	136,623	147,045
	Less Unexpired Charges	25,491	19,937
		111,132	127,108
	Loans - Bank	1,800,000	2,000,000
	<b>Total Non-current</b>	<b>1,911,132</b>	<b>2,127,108</b>
	<b>Total Financial Liabilities</b>	<b>5,194,183</b>	<b>4,489,885</b>

*The accompanying notes form part of these financial statements.*



**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

12	<b>Provisions</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	<b>Current</b>		
	<i>Provision for Holiday Pay</i>		
	Opening Balance for the year	180,816	170,819
	Provisions added	180,441	29,710
	Provisions used	-	(19,713)
	<i>Provision for Long Service Leave</i>		
	Opening Balance for the year	104,478	133,452
	Provisions added	51,976	-
	Provisions used	-	(28,974)
		<b>517,711</b>	<b>285,294</b>
	<b>Total Provisions</b>	<b>517,711</b>	<b>285,294</b>
13	<b>Reserves</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	<b>General Reserve</b>		
	Opening Balance	(3,648,332)	(2,156,745)
	Movements	3,562,848	(1,491,587)
	Closing Balance	(85,484)	(3,648,332)
	<b>Total Reserves</b>	<b>(85,484)</b>	<b>(3,648,332)</b>
14	<b>Retained Profits / Accumulated Losses</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	Retained Profits/(Accumulated Losses) at Beginning of Financial Year	938,328	(463,579)
	<b>Add</b>		
	Net profit attributable to members	1,905,508	1,250,151
	Net Effect of Prior Period Adjustment		286,711
	<b>Less</b>		
	Income Tax Expense	507,878	134,956
	Dividend Paid	125,000	-
	Retained Profits at 30 June 2018	<b>2,210,958</b>	<b>938,327</b>
15	<b>Company Details</b>		
	<b>The principal place of business is:</b>		
	RPM Automotive Group		
	592 Whitehorse Road, Mitcham Victoria 3132		
	<b>The principal activities of the company include:</b>		
	Tyre wholesale and retail		
	Specialised automotive accessory manufacture		
	Motor racing accessory suppliers		

*The accompanying notes form part of these financial statements.*



**RPM Automotive Group**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 30 June 2018**

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**The consolidated financial statements include the assets, liabilities and result of:**

- Revolution Racegear Pty Ltd (ABN 31 144 082 262)
- EJ Anywhere Pty Ltd (ABN 36 601 183 984)
- Fix My Truck Pty Ltd (ABN 19 608 713 631)
- RW Tyres Pty Ltd (54 618 666 765)
- W&M Patterson Trust (ABN 64 799 819 374)
- Riley Street Automotive Pty Ltd (ABN 52 069 219 894)
- Spider GT Pty Ltd (ABN 97 156 074 289)
- Wildcat (Aust) Pty Ltd (ABN 21 112 579 772)



**RPM Automotive Group  
Directors' Declaration  
For the Year ended 30 June 2018**

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The Directors of RPM Australasia Pty Ltd 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 outlined in the Notes to the Financial Statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out in the financial report present fairly the Company's financial position as at 30 June 2018 and its performance for the reporting period ended on that date in accordance with the accounting policies described in the Notes 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 Board of Directors.

Lawrence Warren Jaffe  
Director

Clive Gary Finkelstein  
Director

Dated this 22 day of November 2018

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RPM AUTOMOTIVE GROUP

### Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report, of RPM Automotive Group, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss 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 presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and its performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

### Basis for Qualified Opinion

We were not appointed as auditors for the entity until after 30 June 2018 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2017 and 2018, which are stated in the statements of financial position at \$4,539,682 and \$5,071,123 respectively. We therefore are unable to express an opinion on the existence of the recorded inventory and since inventories enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of profit or loss.

We were not appointed as auditors for the entity until after 30 June 2018 and were unable to obtain sufficient appropriate audit evidence regarding the opening balances carried forward from the unaudited 30 June 2015 balances. We were therefore unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for the year ended 30 June 2016. Our audit opinion on the financial report for the period 30 June 2017 was modified accordingly.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RPM AUTOMOTIVE GROUP (Continued)**

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 group in accordance with the auditor independence 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 qualified 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 directors' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter - Comparative Figures**

We draw attention to Note 15 to the financial report, which details the entities in the group report and that the comparative figures exclude results from RW Tyres Pty Ltd as it was only acquired after 30 June 2017. As a result the comparative figures may not be suitable as a comparison to the current years report. Our conclusion is not modified in respect of this matter.

### **Directors' Responsibility for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibility for 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 judgment and maintain professional skepticism throughout the audit.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF RPM AUTOMOTIVE GROUP (Continued)**

We 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.

We 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.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We 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 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 Entity to cease to continue as a going concern.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We 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.

  
**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP  
CHARTERED ACCOUNTANTS**

  
**BEN BESTER  
PARTNER**

Dated in Melbourne on this 22 day of November 2018