



Wodonga Fitness Pty Ltd

ABN 76 167 989 344

Financial Statements for the half-year ended 31 December 2018

WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Contents

For the half-year ended 31 December 2018

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WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Director's Report

For the half-year ended 31 December 2018

The director presents his report, together with the financial statements on Wodonga Fitness Pty Ltd ("Wodonga Fitness") for the half-year ended 31 December 2018.

Director

John McLennan was the sole director of the company during the whole of the financial half-year and up to the date of this report.

Principal activities

During the financial half-year the principal activity of the company was the operation of a gym facility in Wodonga.

Dividends

There were no dividends paid during the financial half-year or in the prior year.

Review of operations

The profit for the company after providing for income tax for the half-year ended 31 December 2018 amounted to \$64,487 (30 June 2018: \$125,098).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year

On 28 March 2019, an agreement was signed/negotiations were underway with Viva Leisure Limited to purchase on or before 31 August 2019 the company.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the half-year ended 31 December 2018 and up to the date of this report.

Director's Report

For the half-year ended 31 December 2018

Indemnity and insurance of officers

The company has indemnified the director of the company for costs incurred, in his capacity as a director, for which he may be held personally liable, except where there is a lack of good faith.

During the financial half-year, the company paid a premium in respect of a contract to insure the director of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial half-year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial half-year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

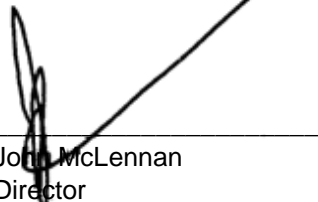
Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of the director:



John McLennan
Director

Dated this 16th day of April 2019

RSM Australia Partners

12 Anderson Street West, Ballarat VIC 3350

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www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Wodonga Fitness Pty Ltd for the half year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM***RSM AUSTRALIA PARTNERS****JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 16th day of April 2019**THE POWER OF BEING UNDERSTOOD****AUDIT | TAX | CONSULTING**

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WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2018

	Note	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
Revenue			
Sales revenue		418,558	858,113
Other revenue		11,636	24,562
Total revenue		430,194	882,675
Expenses			
Employee benefits expense		197,717	406,346
Depreciation and amortisation expense	3	30,941	29,816
Finance costs		4,572	11,514
Administration expenses		80,156	168,100
Other expenses		26,871	94,269
Total expenses		340,257	710,045
Surplus before income tax expense		89,937	172,630
Income tax expense		(25,450)	(47,532)
Surplus after income tax expense for the period		64,487	125,098
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the period		64,487	125,098

The accompanying notes form part of these financial statements

WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	4	1,017	3,443
Trade and other receivables	5	149,682	104,220
Income tax receivable	9	16,843	-
Other assets		1,378	-
Total Current Assets		168,920	107,663
<i>Non-Current Assets</i>			
Property, plant and equipment	6	430,974	429,664
Intangibles	7	121,036	121,241
Total Non-Current Assets		552,010	550,905
TOTAL ASSETS		720,930	658,568
LIABILITIES			
<i>Current Liabilities</i>			
Trade and other payables	8	50,503	48,001
Income tax	9	-	13,725
Borrowings	10	38,710	38,225
Employee benefits	11	53,140	43,201
Other liabilities	12	85,503	77,366
Total Current Liabilities		227,856	220,518
<i>Non-Current Liabilities</i>			
Borrowings	10	85,133	94,596
Total Non-Current Liabilities		85,133	94,596
TOTAL LIABILITIES		312,989	315,114
NET ASSETS		407,941	343,454
EQUITY			
Issued capital	13	10	10
Retained earnings		407,931	343,444
TOTAL EQUITY		407,941	343,454

The accompanying notes form part of these financial statements

WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Statement of Changes of Equity

For the half-year ended 31 December 2018

2018

	Issued capital	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2018	10	343,444	343,454
Surplus after income tax expense for the period	-	64,487	64,487
Other comprehensive income for the period, net of tax	-	-	-
Dividends paid	-	-	-
Balance at 31 December 2018	10	407,931	407,941

2018

	Issued capital	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2017	10	218,346	218,356
Surplus after income tax expense for the period	-	125,098	125,098
Other comprehensive income for the period, net of tax	-	-	-
Dividends paid	-	-	-
Balance at 30 June 2018	10	343,444	343,454

WODONGA FITNESS PTY LTD

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Statement of Cash Flows

For the half-year ended 31 December 2018

	Note	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		480,018	974,212
Payments to suppliers and employees (inclusive of GST)		(336,468)	(712,732)
Interest paid		(3,472)	(8,677)
Income taxes paid		(56,018)	(87,467)
Net cash generated from operating activities		84,060	165,336
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(32,046)	(469,267)
Proceeds from disposal of property, plant and equipment		-	100,866
Net cash used in investing activities		(32,046)	(368,401)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in related party loans		(45,462)	164,850
Net movement in hire purchase loans		(8,978)	37,803
Net cash (used in)/provided by financing activities		(54,440)	202,653
Net decrease in cash and cash equivalents		(2,426)	(412)
Cash and cash equivalents at the beginning of the financial period		3,443	3,855
Cash and cash equivalents at the end of the financial period	4	1,017	3,443

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 1 Significant Accounting Policy

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the members of Wodonga Fitness. The director has determined that the accounting policies adopted are appropriate to meet the needs of the owner of Wodonga Fitness.

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 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

a. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Membership revenue

Revenue from the membership fees is recognised upon receipt of monies for the period in which the payment relates. Where memberships are paid in advance, the payment is apportioned over the related financial periods and is recorded as a liability in deferred revenue.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 1 Significant Accounting Policy (cont.)

b. Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e. Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

f. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Fixed asset class	Depreciation rate
Leasehold improvements	2.5% – 50%
Plant and equipment	10% – 100%
Motor vehicles	25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 1 Significant Accounting Policy (cont.)

g. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

h. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial half-year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

j. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 1 Significant Accounting Policy (cont.)

k. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

l. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

m. Issued capital

Ordinary shares are classified as equity.

n. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

o. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the half-year period ended 31 December 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Financial Statements

For the half-year ended 31 December 2018

Note 2 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax.

	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
Note 3: Expenses		
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Leasehold improvements	3,564	5,148
Plant and equipment	8,235	8,702
Motor vehicles	18,937	15,851
Total depreciation	30,736	29,701
Amortisation – borrowing costs	205	115
Total amortisation	205	115
Total depreciation and amortisation	30,941	29,816
Loss on sale of property, plant and equipment	-	22,876

WODONGA FITNESS PTY LTD

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Notes to the Financial Statements

For the half-year ended 31 December 2018

	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
Note 4: Cash and cash equivalents		
<i>Current</i>		
Cash on hand	10	10
Cash at bank	1,007	3,433
Total cash and cash equivalents	1,017	3,443
Note 5: Trade and other receivables		
<i>Current</i>		
Other receivables	60	60
Related party loans receivable	149,622	104,160
Total trade and other receivables	149,682	104,220
Note 6: Property, plant and equipment		
<i>Non-current</i>		
Leasehold improvements – at cost	254,772	239,645
Less: accumulated depreciation	(23,177)	(19,613)
	231,595	220,032
Plant and equipment – at cost	249,098	232,180
Less: accumulated depreciation	(155,999)	(147,765)
	93,099	84,415
Motor vehicles – at cost	130,082	130,082
Less: accumulated depreciation	(23,802)	(4,865)
	106,280	125,217
Total property, plant and equipment	430,974	429,664
Note 7: Intangibles		
<i>Non-current</i>		
Goodwill	120,000	120,000
Other	1,036	1,241
Total intangibles	121,036	121,241
Note 8: Trade and other payables		
<i>Current</i>		
Trade payables	-	2,813
Other payables	4,716	4,366
Accrued expenses	23,586	25,163
GST payable	22,201	15,659
Total trade and other payables	50,503	48,001

WODONGA FITNESS PTY LTD

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Notes to the Financial Statements

For the half-year ended 31 December 2018

	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
Note 9: Income tax		
<i>Current</i>		
Provision for income tax receivable	<u>16,843</u>	<u>-</u>
Provision for income tax payable	<u>-</u>	<u>13,725</u>
Note 10: Borrowings		
<i>Current</i>		
Related party loan – Fitness 24 Seven	20,027	20,027
Lease liability	<u>18,683</u>	<u>18,198</u>
Total current borrowings	<u>38,710</u>	<u>38,225</u>
<i>Non-current</i>		
Lease liability	<u>85,133</u>	<u>94,596</u>
Total non-current borrowings	<u>85,133</u>	<u>94,596</u>
Total borrowings	<u>123,843</u>	<u>132,821</u>
Note 11: Employee benefits		
<i>Current</i>		
Provision for annual leave	12,986	15,752
Provision for long service leave	<u>40,154</u>	<u>27,449</u>
Total employee benefits	<u>53,140</u>	<u>43,201</u>
Note 12: Other liabilities		
<i>Current</i>		
Deferred revenue	<u>85,503</u>	<u>77,366</u>
Note 13: Issued capital		
Ordinary shares – 10 fully paid (30 June 2018: 10 fully paid)	<u>10</u>	<u>10</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 14: Dividends

There were no dividends paid.

WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Notes to the Financial Statements

For the half-year ended 31 December 2018

	31 Dec 2018 (6 months) \$	30 June 2018 (12 months) \$
Note 15: Commitments		
<i>Lease commitments – operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
- not later than one year	43,566	75,772
- between one year and five years	-	5,854
	43,566	81,626
<i>Lease commitments – finance</i>		
Committed at the reporting date and recognised as liabilities, payable:		
- not later than one year	18,683	18,198
- between one year and five years	85,132	94,596
	103,815	112,794

Note 16: Contingent liabilities

The company had no contingent liabilities as at 31 December 2018 and 30 June 2018.

Note 17: Events after the reporting period

On 28 March 2019, an agreement was signed/negotiations were underway with Viva Leisure Limited to purchase on or before 31 August 2019 the company.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 18: Entity details

Registered office

564 David St

Albury NSW 2640

Principal place of business

70 Elgin St

Wodonga VIC 3690

WODONGA FITNESS PTY LTD

ABN 76 167 989 344

Director's Declaration

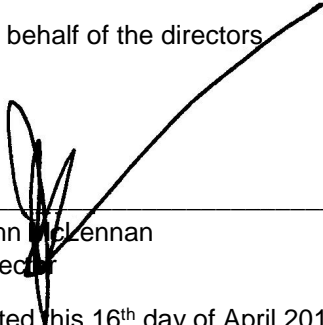
For the half-year ended 31 December 2018

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the owner of Wodonga Fitness;
- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards as described in note 1 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



John McLennan
Director

Dated this 16th day of April 2019

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT**
To the Members of Wodonga Fitness Pty Ltd

We have reviewed the accompanying financial report, being a special purpose financial report of Wodonga Fitness Pty Ltd ("the company"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The director of the company is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Act 2001* and for such internal control as the director determines is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report, based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the director of the company, would be in the same terms if given to the director as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the company is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standards as described in note 1 and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



JOHN FINDLAY
Partner

Ballarat, Victoria
Dated this 16th day of April 2019