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**The Artists' Foundation of Western  
Australia Limited**

ABN: 83 009 181 024

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**FINANCIAL REPORT**  
For the year ended 31 December 2019

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# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

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# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Board's Report

For year ended 31 December 2019

### BOARD'S REPORT

Your Board members submit the financial report of The Artists' Foundation of Western Australia Limited for the financial year ended 31 December 2019.

### Board Members

The names of Board members throughout the year and at the date of this report are:

Board Members	Position
Fred Chaney Jnr	Chair
Simon Gilby	Deputy Chair
Vincent Allegre	Treasurer
Julie Hobbs	Secretary
Penelope Bovell (until February 2020)	Chair
Malcolm Di Giulio (until January 2020)	Treasurer
Kingsley Burton (until May 2019)	Secretary
Jon Denaro (from May 2019)	
Rick Vermey (until May 2019)	

### Principal Activities

The principle activities of the company during the financial year were related to the provision of services to artists with a view to increasing their income earning capabilities within the arts industry.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### After Balance Date Events

No significant change in events occurred during the year.

### Future Developments

The company continues to focus on increasing own-sourced revenue and the provision of services congruent to revised funding stream.

### Environmental Issues

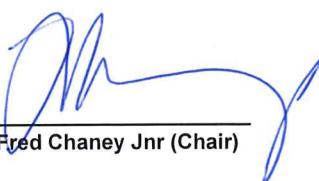
The economic entity's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

### Operating Result

The deficit for the year amounted to \$1,030.

### Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the company to continue to operate as a going concern is dependent upon the ability of the company to generate sufficient cashflows from operations to meet its liabilities. The members of the company believe that the going concern assumption is appropriate.



\_\_\_\_\_  
Fred Chaney Jnr (Chair)



\_\_\_\_\_  
Vincent Allegre (Treasurer)

Date: August 2020

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Statement of Profit or Loss and Other Comprehensive Income

For year ended 31 December 2019

	Notes	2019 \$	2018 \$
<b>Income</b>			
Grant Income	6	58,540	325,343
Sponsorship Income		-	132,555
Donations Income		67,256	23,001
Fee for Service		398,304	241,485
Membership Income		126,433	145,636
Atrium Income		41,789	18,706
Sundry Income		17,904	6,036
<b>Total Ordinary Income</b>		<b>710,226</b>	<b>892,762</b>
<b>Expenditure</b>			
Accounting Audit Fees		64,527	7,000
Atrium Outgoings		27,715	13,477
Bad Debts		(8,731)	51,002
Bank Charges		3,244	4,104
Computer		31,844	31,432
Consulting Outgoings		106,209	87,869
Consumable Resources		9,515	7,679
Depreciation		6,867	27,406
Finance Expenses		905	4,042
Grant Payments to Artists		-	25,218
Insurance		11,885	12,612
Legal Fees		-	1,800
Licences & Fees		36	967
Marketing Expenses		4,771	10,322
Membership Outgoings		45,052	36,053
Occupancy Costs		-	1,461
Other Employment Expenses		34,671	10,055
Postage, Printing & Stationery		1,171	1,707
Penalties		-	-
Sponsorship		6,580	-
Studio Outgoings		159,081	190,544
Telephone, Fax and Mobile Phones		1,896	8,192
Travel & Accommodation		3,357	3,120
Wages & Salaries		184,467	246,395
Superannuation		16,057	22,351
Workers Compensation Insurance		137	1,920
<b>Total Ordinary Expenditure</b>		<b>711,256</b>	<b>806,728</b>
<b>Surplus/(Deficit) For The Year</b>		<b>(1,030)</b>	<b>86,034</b>

*This statement should be read in conjunction with the attached audit report.*

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

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 \$	2018 \$
<b>Current Assets</b>			
Cash	2	76,355	115,320
Term Deposit		20,000	20,000
Prepayments		7,285	12,906
Trade Debtors		35,853	57,438
Provision for Doubtful Debts		(26,425)	(46,921)
Accrued Income		450	402
Rent on Premises Prepaid		2,267	8,884
Bond Paid		6,088	6,088
<b>Total Current Assets</b>		<b>121,873</b>	<b>174,117</b>
<b>Non Current Assets</b>			
Fixed Assets	3	6,672	13,539
Art Collection		23,070	23,070
<b>Total Non Current Assets</b>		<b>29,742</b>	<b>36,609</b>
<b>Total Assets</b>		<b>151,615</b>	<b>210,726</b>
<b>Current Liabilities</b>			
Trade and Other Payables	4	40,951	51,360
Accrued Expenses		32,459	13,033
Artists Exhibition Sales		-	4,890
Credit Cards		1,086	1,794
Donation - Residency Fund		-	-
Donation - Patrons		-	-
Grants in Advance	5	-	48,582
Provision		18,540	12,071
Revenue in Advance		-	24,602
Studio Rent in Advance		22,775	17,560
<b>Total Current Liabilities</b>		<b>115,811</b>	<b>173,892</b>
<b>Total Liabilities</b>		<b>115,811</b>	<b>173,892</b>
<b>Net Assets</b>		<b>35,804</b>	<b>36,834</b>
<b>Represented by:</b>			
Retained Surplus		36,834	(49,200)
Net Surplus for the year		(1,030)	86,034
<b>Total Equity</b>		<b>35,804</b>	<b>36,834</b>

*This statement should be read in conjunction with the attached audit report.*

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

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Statement of Changes in Equity

For year ended 31 December 2019

	Retained Earnings \$	Total \$
<b>Balance at 1 January 2018</b>	(49,200)	(49,200)
Surplus for the year attributable to the Company	86,034	86,034
Total comprehensive surplus for the year	<u>36,834</u>	<u>36,834</u>
<b>Balance at 31 December 2018</b>	<u>36,834</u>	<u>36,834</u>
<b>Balance at 1 January 2019</b>	36,834	36,834
Surplus for the year attributable to the Company	(1,030)	(1,030)
Total comprehensive surplus for the year	<u>35,804</u>	<u>35,804</u>
<b>Balance at 31 December 2019</b>	<u>35,804</u>	<u>35,804</u>

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Statement of Cash Flows

For year ended 31 December 2019

	Notes	2019	2018
		\$	\$
<b>Cash flow from operating activities</b>			
Cash receipts from customers		637,853	977,619
Cash payments to suppliers and employees		(676,468)	(903,346)
Interest Paid		(905)	(4,042)
Interest Received		555	687
<b>Net cash from operating activities</b>	7	<u>(38,965)</u>	<u>70,918</u>
<b>Cash flows from investing activities</b>			
Acquisition of property plant & equipment		-	-
<b>Net cash flow used in investing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(38,965)	70,918
Cash and cash equivalents at beginning of financial year	2	<u>115,320</u>	<u>44,402</u>
Cash and cash equivalents at end of financial year		<u><u>76,355</u></u>	<u><u>115,320</u></u>

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Notes to the Financial Statements

For year ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation

This special purpose financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, the *Corporations Act 2001* and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The Board has determined that the company is not a reporting entity.

The financial report does not include all of the disclosure requirements of AASBs except for the following minimum requirements:

AASB 101 *Presentation of Financial Statements*  
AASB 107 *Cash Flow Statements*  
AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*  
AASB 1048 *Interpretation of Standards*; and  
AASB 1054 *Australian Additional Disclosures*.

#### Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non current assets and financial assets at fair value through profit and loss.

#### B) Financial Position

The company's primary source of funding comprises grants from Federal and State agencies with whom the company enters into funding agreements for periods ranging from one to three years. The Board will seek to renew funding arrangements that are due to expire or replace them with other arrangements.

#### C) Significant Accounting Judgments, Estimates and Assumptions

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service.

#### D) Significant Accounting Policies

The following accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

##### (a) Cash on Hand

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

##### (b) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.



# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Notes to the Financial Statements

For year ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### D) Significant Accounting Policies (Continued)

##### (c) Property, Plant and Equipment

###### (i) Recognition and Measurement

###### Property Plant and Equipment

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

###### (ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

###### (iii) Depreciation

Depreciation is recognised in profit and loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the short of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.

The depreciation rates for each class of depreciable assets are:

Plant and Equipment	20% - 40%
Fixtures and Fittings	20%
Software	20% - 40%

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

To match expenditure with income, funded capital assets are written off in the year the grant income is recognised.

##### (d) Revenue

###### Revenue recognition

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

###### Government funding

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Notes to the Financial Statements

For year ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### D) Significant Accounting Policies (Continued)

##### (d) Revenue (Continued)

###### Interest revenue

Interest revenue is recognised using the effective interest 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.

If conditions are attached to the grant that must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

##### (e) Income Tax

The company has received an endorsement from the ATO confirming that it is exempt from income tax.

##### (f) Goods and Services Tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

##### (g) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

##### (h) Provisions

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

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 provisions have been measured at the amounts expected to be paid when the liability is settled.

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Notes to the Financial Statements

For year ended 31 December 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### D) Significant Accounting Policies (Continued)

##### (i) Revenue and income recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) (or similar taxes) payable to the taxation authority to the extent that it is probable that the revenue can be reliably measured. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

##### *Projects for third parties*

Revenues and costs are recognised in the statement of income in proportion to the stage of completion of the contract with reference to a reliable estimate of the outcome of the relevant project in progress. The revenue is defined as the amount agreed in the contract, additional work and cancelled work agreed through contract changes, claims and performance bonuses, insofar as it is likely that these will lead to revenue and can be reliably estimated. The stage of completion is assessed by reference to the ratio of the recognised costs to the total expected costs. If the outcome of a project cannot be estimated reliably, income is only recognised to the extent that the contract expenses in all probability can be recovered. Expected losses on projects are taken directly to the income statement.

##### *Service and maintenance contracts*

Revenues from service and maintenance contracts are recognised in the statement of income in

##### *Finance income*

Finance Income is recognised on an accruals basis using the effective interest rate method.

##### (j) New accounting standards and interpretations

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

##### *AASB 16 Leases*

AASB 16 *Leases* replaces the provisions of AASB 117 *Leases* that relate to the recognition, classification and measurement of leases. This note explains the impact of the adoption of AASB 16 on the Company's financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

The office that the Company currently occupies was under a peppercorn lease with the State of Western Australia (acting through the Minister for Culture and The Arts), which ended on the 31 December 2011 and has not been updated since. As such, the Company has assessed that AASB 16 does not apply in this circumstance and therefore the application of AASB 16 has had no impact on the Company as at 31 December 2019.

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Notes to the Financial Reports For the year ended 31 December 2019

	2019	2018
<b>Note 2: Cash</b>	<b>\$</b>	<b>\$</b>
Westpac Cheque Account	61,184	91,996
Westpac Donations Account	6,905	14,848
Westpac Cash Reserve Account	7,936	7,935
Petty-Cash	330	541
	<u>76,355</u>	<u>115,320</u>
<b>Note 3: Fixed Assets</b>		
Equipment at Cost	73,839	73,839
Equipment Accum Dep	(73,822)	(71,850)
Software at Cost	113,669	113,669
Software Accum Dep	(113,136)	(109,072)
Furniture & Fittings at Cost	8,898	8,898
Furniture & Fittings Accum Dep	(2,776)	(1,945)
Total Fixed Assets	<u>6,672</u>	<u>13,539</u>
<b>Note 4: Trade and Other Payables</b>		
Trade Creditors	11,026	36,016
GST Payable	10,699	7,822
FBT Payable	12,072	-
PAYG Withholding	2,572	2,676
Superannuation Payable	4,582	4,846
	<u>40,951</u>	<u>51,360</u>
<b>Note 5: Grants in Advance</b>		
Department of Local Government, Sport and Cultural Industries	-	39,087
Copyright Agency Cultural Fund	-	9,495
	<u>-</u>	<u>48,582</u>
<b>Note 6: Grant Income</b>		
Department of Culture & the Arts: General Purpose	35,534	325,343
Department of Culture & the Arts: Artist Residency Grants	23,006	-
	<u>58,540</u>	<u>325,343</u>
<b>Note 7: Reconciliation of Net Operating Cash Flow</b>		
Total Surplus/(Deficit)	(1,030)	86,034
<i>Adjustments for:</i>		
Depreciation	6,867	27,406
Provision for doubtful debts	-	46,921
Operating profit before working capital changes		
(Increase) / Decrease in receivables	13,327	216,493
(Increase) / Decrease in interest receivable	(48)	71
Increase / (Decrease) in payables	(39,948)	(158,260)
Increase / (Decrease) in provisions	6,469	(16,727)
Increase / (Decrease) in revenue in advance	(24,602)	(131,020)
	<u>(38,965)</u>	<u>70,918</u>

# The Artists' Foundation of Western Australia Limited

ABN: 83 009 181 024

## Board Members Declaration

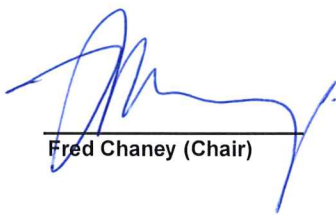
For year ended 31 December 2019

### Annual Statements Give True and Fair View of Financial Position and Performance of the Company

We, Fred Chaney Jnr and Vincent Allegre, being members of the Board of The Artists Foundation Of Western Australia Limited, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of The Artists Foundation Of Western Australia Limited during and at the end of the financial year of the company ending on 31 December 2019.

The financial statements for the year ended 31 December 2019 were submitted to the members of the company at its annual general meeting.



Fred Chaney (Chair)



Vincent Allegre (Treasurer)

August 2020

Date:

## Independent Auditor's Report

### To the Members of The Artists Foundation of Western Australia Limited

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Artists Foundation of Western Australia Limited ("the Company"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the board members' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001 and Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001*, 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.

Bentleys Audit & Corporate  
(WA) Pty Ltd

London House

Level 3,

216 St Georges Terrace

Perth WA 6000

PO Box 7775

Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

[bentleys.com.au](http://bentleys.com.au)

# Independent Auditor's Report

To the Members of The Artists' Foundation of Western Australia Limited (Continued)



## Other Information

The board members are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Board members for the Financial Report

The board members 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, the Corporations Act 2001, the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the board members 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 board members are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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

## Independent Auditor's Report

To the Members of The Artists' Foundation of Western Australia Limited (Continued)



effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**BENTLEYS**  
Chartered Accountants

**CHRIS NICOLOFF FCA**  
Partner

Dated at Perth this 17<sup>th</sup> day of August 2020