

PEACEWISE LIMITED

ABN 50 125 667 067

Annual Report - 31 December 2018

DIRECTORS' REPORT for 2018

Your directors present their report on the company for the financial year ended 31 December 2018.

PeaceWise is a charity registered with the Australian Charities and Not-for-profits Commission. It does not have deductible gift recipient (DGR) status.

This report is provided as one form of evidence of the company's awareness of and commitment to compliance with the governance standards set out in the Australian Charities and Not-for-profits Commission Regulation 2015. PeaceWise is also pleased to be accredited by the CMA Standards Council in recognition of meeting its governance standards.

Financial result in brief

The net deficit of the company for the 2018 financial year amounted to \$25,629. No significant changes in the company's state of affairs occurred during the financial year.

The Purpose of PeaceWise

PeaceWise Ltd was founded in 2007 in response to the need for an Australian based biblical peacemaking ministry. Its purpose is the pursuit and advancement of the Christian religion through the carrying out, promoting and encouraging of Christian peacemaking and includes all things necessary for and incidental to the pursuit of this purpose.

Christian Peacemaking is seen as helping, supporting and equipping people to respond to conflict from a Christian biblical perspective, including but not limited to teaching, training, equipping, mentoring, coaching, counselling, accrediting, mediating, arbitrating, adjudicating, decision-making and preaching.

The strategies for achieving our purpose

The primary strategy of the company is teaching and training. Throughout the year PeaceWise runs adult courses face-to-face in various locations across Australia. In all PeaceWise training biblical principles for conflict resolution are taught and practised, providing skills for people to use personally and for the benefit of others. National training events provide opportunities to attend the progression of courses and become more skilled-up to help others, whereas Dedicated events focus on teaching the basic biblical principles to a specific group or organisation that requests training. These events are well received by individuals, churches, schools, and Christian organisations.

PEACEWISE LIMITED

ABN 50 125 667 067

Secondly, PeaceWise is intentional in developing child-focused, online, and live content, Christian peacemaking training courses for children and youth, through the PeaceWiseKids project. The resources can be used by schools, SRE teachers, chaplains, and parents and seek to teach the same biblical peacemaking principles to the younger generations.

PeaceWise also offers conciliation services based on Biblical peacemaking principles. Both Conflict Coaching and Mediation sessions are organised with trained mediators for those wanting help with conflict. The conciliation work continues to expand as there is greater recognition of the ministry and more mediators available.

PeaceWise continues to develop its relationships with Christian schools and has developed training material specifically for these forums. Considerable energy is devoted to building and strengthening these relationships.

The annual Board retreat is the key planning event at which visioning and strategic planning takes place. PeaceWise relies deeply on prayer and the leading of the Holy Spirit as an integral part of its decision-making process, and this is coupled with a committed Christian board.

Our principal activities during the year

In 2018 National Training events were held in five states and the ACT. The two new courses 101: Everyday Peacemaking and 102: Heart of Peacemaking continued to be well received and there were good numbers for the Conflict Coaching and Mediation courses which were held in Sydney and Perth. There were 15 National Training events in all.

Dedicated training events (where an organisation hosted an event) continued strongly in 2018 with 18 training events being held across Australia, in both cities and country towns. Course 101: Everyday Peacemaking is recognised for NESA Teacher Professional Development in NSW as the course is accredited by the National Institute for Christian Education. During 2018 there were several dedicated training events specifically aimed at teachers which allowed them to gain professional development hours.

The PeaceWiseKids project continued to be a major focus of the company during 2018 with the initial courses (for Years 7-10) being rolled out, purchased and used in multiple school settings. This involved some stressful moments as costly and complex technology issues arose. With prayer and dependence on God, these technology issues were able to be dealt with and the project continues to progress at pace! 2018 saw the completion of the Years 7/8 and 9/10 courses, with the next course (for Years 5/6) due for completion in the first half of 2019.

During 2018, PeaceWise also arranged for mediators and conflict coaches trained by PeaceWise to provide mediation and conflict coaching services. Through this process, people in conflict are assisted to resolve their conflict, to reconcile and to restore their relationship through biblically based principles. PeaceWise recommends the mediators and facilitates the case administration and management, however parties' contract directly with the mediators or conflict coaches for the actual conciliation services themselves.

In 2018, the company began the project of rewriting its Conflict Coaching courses. The new courses 201 Everyday Conflict Coaching and 202 Deeper into Conflict Coaching are expected to be available for the 2019 training programme.

How those activities assisted in achieving our purposes

Both the training and conciliation work enable increasing numbers of people to address conflict in a redemptive and constructive way, both in terms of the material and relational issues involved. As all the work of PeaceWise is founded upon the teachings in the Bible and the example of Jesus, these activities frequently bring people into either a renewed or a new relationship with God.

PeaceWise is passionate about the PeaceWiseKids project and the opportunity to teach biblical principles to the next generation from an early age, thereby introducing them to Jesus and giving them the tools to use in conflict situations in their school relationships.

How PeaceWise measures its performance

PeaceWise measures its performance in both material and non-material terms.

The measurement of performance in **material and financial terms** focuses on the following aspects:

- PeaceWise is a not for profit company limited by guarantee and sets its budget to reflect this by aiming at a nil or low surplus result for each year. It is not the directors' intention to finish with a deficit, and any unexpected expenses are managed carefully to avoid this if possible.
- PeaceWise sets a realistic annual budget that is monitored with the use of monthly reporting showing actuals against budget.
- PeaceWise relies on the income from its training events to support the ministry as a whole, and takes its attendance figures seriously. All Dedicated training events have a minimum value/or attendance figure attached and we encourage the organisers to try for optimum numbers of registrants.
- At the conclusion of training each year Profit and Loss reports are produced for each state. National Training courses are only held in States/Territories where it is financially viable, or otherwise considered to be strategic for future events.
- PeaceWise aims to build a stronger donor support base each year, recognising that those that have been personally helped by the ministry are often its biggest supporters.
- PeaceWise encourages people to give monthly as "Partners for Peace", and the number of these donors has continued to rise over the last four years.

PEACEWISE LIMITED
ABN 50 125 667 067

Note: For the last financial year, a deficit did occur. This was due to a range of factors, but in particular due to:

- a. some training events being cancelled or having lower than expected numbers and running at a loss or for little surplus,
- b. a subsidy of the PeaceWiseKids project out of operating cash reserves (pleasingly, the extent of the subsidy by year end was only a little over \$5,000, whereas over \$15,000 had been anticipated in the budget),
- c. some historical giving towards the main ministry had been directed by donors toward PeaceWiseKids; and
- d. the decision being taken to bring the National Director up to date with payment for his serving in that position (rather than pushing payment for the current year into 2019).

The Board has considered and taken action in relation to each of these matters, and is budgeting for a surplus result for 2019.

Performance in **non-material terms** relates to in what way, and how many, lives are impacted by the hope-giving work of the ministry, how, and in what areas, relationships are restored, how people draw closer to Jesus, and how people learn (and practise) to deal better with conflict in their marriages, workplaces, families and other contexts. This non-material aspect of ministry is more difficult to measure but vitally important. PeaceWise values one person coming to faith through the redemptive message of the Gospel more than any financial return we might make during the year. PeaceWise has received and shared with its stakeholder community many stories of transformed lives and relationships through the benefits of applying biblical peacemaking and the gospel of peace during 2018.

The names of each person who has been a director for PeaceWise at any time during or since the end of the year and the period for which the person was a director

Bruce Charles Burgess	Full year
Jeroen Bruins (Chair)	Full year
Li Ai Gamble	Full year
Geoffrey Bateman	Resigned 23/6/18
Wendy Konemann	Full year
Stuart Wesley	Full year

PEACEWISE LIMITED

ABN 50 125 667 067

The qualifications, experience and special responsibilities of each director

Bruce Charles Burgess	BA(Hons) LLB(Hons) MA (Chris.Stud.) MTh. Bruce is a practising lawyer, is the National Director and, in collaboration with the Board, has overall responsibility for the strategic leadership and direction of the ministry.
Jeroen Bruins	Drs. Geology (Free University of Amsterdam). Jeroen has worked abroad and locally as professional geologist. He works currently as a senior geological advisor in a large Australian public company. Jeroen is our Board Chair.
Li Ai Gamble	BCom, BJuris, LLB. Li Ai is a lawyer and has the role of National Training Coordinator.
Geoffrey Bateman	LLB(Hons) Grad Dip in Higher Education, Cert IV in Youth and Community work (Christian), Cert IV in Assessment & Workplace training. Geoffrey has been the CEO of Northern Territory of Christian Schools Association and is currently teaching in tertiary education in a consultancy capacity.
Wendy Konemann	Bachelor Applied Social Science (Aust College of Applied Psychology). Wendy works as a Relationship Counsellor in a church Agency and is the Development Manager of a Charitable Foundation.
Stuart Wesley	BTh, Grad Dip of Ontological Coaching, Dip Prof Coaching. Stuart has worked as a pastor and church planter and is currently the director of Oasis People and Culture.

Meeting attendance

There were 6 board meetings during 2018. The Directors' attendance record was:

Bruce Burgess	6
Jeroen Bruins	6
Li Ai Gamble	6
Geoffrey Bateman	2
Wendy Konemann	5
Stuart Wesley	5

Membership liability on a winding up

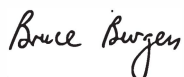
There is only one class of members. On a winding up all members would be liable to contribute a total sum of \$10.

PEACEWISE LIMITED
ABN 50 125 667 067

Attachments to this report

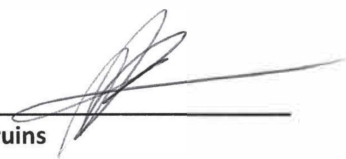
- Auditors Independence Declaration
- Income Statement
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes In Equity
- Statement of Cashflow
- Notes
- Directors' Declaration
- Independent Audit Report

National Director



Bruce Burgess

Director and Chair



Jeroen Bruins

Dated: 1 April 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
PEACEWISE LIMITED**

As lead audit partner for the audit of PeaceWise Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Omniwealth Accounting & Advisory



John Stephens F.C.A

Level 22, Australia Square
264 George Street
SYDNEY NSW 2000

Dated this 1st day of April 2019

PEACEWISE LIMITED
ABN 50 125 667 067

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
Revenue	2	370,753	395,101
Changes in Inventories		956	595
Consumables used		(80,304)	(70,163)
Employee benefits expense		(64,207)	(51,497)
National director fees	3	(56,500)	(50,000)
Depreciation and Amortisation expenses		(6,447)	(12,241)
Kids project expenses		(151,175)	(140,029)
Other expenses		(38,706)	(62,666)
Surplus/(deficit) for the year		(25,629)	9,100

PEACEWISE LIMITED
ABN 50 125 667 067

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Surplus/(deficit) for the year		(25,629)	9,100
Other comprehensive Income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(25,629)	9,100

PEACEWISE LIMITED

ABN 50 125 667 067

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	100,985	124,319
Trade and other receivables	5	2,710	250
Inventories	6	20,693	19,737
TOTAL CURRENT ASSETS		124,388	144,306
NON CURRENT ASSETS			
Property, plant and equipment	7	2,460	6,318
Intangibles	8	8,524	11,114
TOTAL NON-CURRENT ASSETS		10,984	17,432
TOTAL ASSETS		135,372	161,738
LIABILITIES			
CURRENT LIABILITIES			
Payables, pre-payments, and stipulated donations	9,10	44,681	45,418
TOTAL CURRENT LIABILITIES		44,681	45,418
TOTAL LIABILITIES		44,681	45,418
NET ASSETS		90,691	116,320
EQUITY			
Retained surpluses		90,691	116,320
TOTAL EQUITY		90,691	116,320

PEACEWISE LIMITED
ABN 50 125 667 067

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Retained Earnings \$	Total \$
Balance at 1 January 2017	107,220	107,220
Surplus attributable	9,100	9,100
Balance at 31 December 2017	<u>116,320</u>	<u>116,320</u>
Balance at 1 January 2018	116,320	116,320
Deficit attributable	(25,629)	(26,790)
Balance at 31 December 2018	<u>90,691</u>	<u>89,530</u>

PEACEWISE LIMITED

ABN 50 125 667 067

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		370,753	395,101
Payments to suppliers		(385,110)	(415,287)
GST Recovered (Paid)		(9,214)	2,312
Interest Received		237	398
Net cash provided by operating activities		<u>(23,334)</u>	<u>(17,476)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	-	2,545
Payments for intangibles		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>2,545</u>
Cash flows from financing activities			
Proceeds (repayment) from borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		(23,334)	(14,931)
Cash and cash equivalents at beginning of financial year		124,319	139,250
Cash and cash equivalents at end of financial year	11	<u>100,985</u>	<u>124,319</u>

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

These financial statements cover PeaceWise Ltd as an individual entity. PeaceWise Ltd is a company limited by shares, incorporated and domiciled in Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and Australian Charities and Not-for-profits Commission 2012 (ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(b) 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 Tax Office. 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 statement of financial position are shown inclusive of GST.

Cashflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
2. REVENUE AND OTHER INCOME			
Sales revenue:			
Sale of Goods and Services		134,413	189,950
Other Revenue:			
Interest Received	2(a)	237	398
Donations		164,546	122,375
Grants		70,000	80,000
Miscellaneous Income		1,557	2,378
Total Revenue		<u>370,753</u>	<u>395,101</u>
a. Interest Received From:			
Other Corporations		<u>237</u>	<u>398</u>
3. NATIONAL DIRECTOR FEES		<u>56,500</u>	<u>50,000</u>
The services of the National Director are provided to PeaceWise through Burgess Consultants Pty Ltd.			
4. CASH AND CASH EQUIVALENTS			
Cash at Bank – PeaceWise Cheque Account		62,680	84,801
Cash at Bank – Supporters Account		15,259	35,481
Cash at Bank – Trust Account		20,218	3,958
Card Account		2,775	-
Petty Cash		53	79
		<u>100,985</u>	<u>124,319</u>
5. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade Debtors		1,054	212
Grants Receivable and Prepayments		1,656	38
Goods and Services Tax		-	-
		<u>2,710</u>	<u>250</u>
6. INVENTORIES			
At cost:			
Stock on Hand		<u>20,693</u>	<u>19,737</u>

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and equipment		77,053	77,053
Less Accumulated depreciation		(74,593)	(70,735)
Total property, plant and equipment		<u>2,460</u>	<u>6,318</u>
a. Movement in carrying amounts			
For disclosure on movement in carrying amounts please refer to note 12 in the end of this financial report.			
8. INTANGIBLE ASSETS			
Patents and trademarks		29,160	29,160
Less Accumulated amortisation and impairment		(20,636)	(18,046)
		<u>8,524</u>	<u>11,114</u>
Reconciliation of patents and trademarks			
Balance at beginning of year		11,114	13,704
Additions		-	-
Disposals		-	-
Amortisation charge		(2,590)	(2,590)
Impairment losses		-	-
Closing carrying value at 31 December		<u>8,524</u>	<u>11,114</u>
Impairment Disclosures			
The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10-year period with the period extending beyond five years is extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10-year government bonds at the end of the period.			
9. TRADE AND OTHER PAYABLES			
CURRENT			
Trade Creditors		3,933	13,437
PAYG and Superannuation Payable		-	-
Goods & Services Tax		98	(849)
		<u>4,031</u>	<u>12,588</u>

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
10. OTHER LIABILITIES			
CURRENT			
Training Revenue in Advance		7,378	7,120
Mediation Deposits		19,221	3,400
Kids Project Fund		2,000	3,728
Major Project		-	-
Rewrite courses Fund		11,491	16,776
Scholarship Fund		560	1,806
		<u>40,650</u>	<u>32,830</u>

11. COMPANY DETAILS

The registered office of the company is:
PeaceWise Ltd
Level 22, Australia Square,
264 George Street
Sydney NSW 2000

The principal place of business is:
PeaceWise Ltd
Level 1,
470 Church Street
Parramatta NSW 2150

12. CASH FLOW INFORMATION

a. Reconciliation of Cash

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

Cash at Bank	100,985	124,319
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b. Reconciliation of cash flow from operations with surplus/(deficit)

Surplus/(Deficit) after income tax	(25,629)	9,100
Non-cash flows in profit:		
Depreciation	3,857	9,651
Amortisation	2,590	2,590
Changes in Assets and Liabilities:		
Trade Debtors	(2,460)	(212)
Inventory	(956)	3,699
Fixed Assets	-	-
Trade Creditors	(9,504)	4,247
GST Clearing	948	(262)
Other creditors and accruals	-	-
Unearned income	7,820	(46,289)
Cash flows from operating activities	<u>(23,334)</u>	<u>(17,476)</u>

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 2018

13. MOVEMENT IN CARRYING AMOUNTS

Movement in carrying amounts for each class of property, plant and equipment.

	Office furniture & equipment \$	Total \$
Balance at 1 January 2017	13,424	13,424
Additions	2,545	2,545
Depreciation expense	(9,651)	(9,651)
Carrying amount at 31 December 2017	6,318	6,318
Additions	-	-
Sales	-	-
Depreciation expense	(3,858)	(3,858)
Carrying amount at 31 December 2018	2,460	2,460

PEACEWISE LIMITED

ABN 50 125 667 067

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. 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.
2. In the directors' opinion, the financial statement and notes are in accordance with the Australian Charities and Not-for-profits Commission 2012 (ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation) and give a true and fair view of the financial position and performance of the company.

This declaration is made in accordance with a resolution of the Board of Directors.

Director


Bruce Burgess

Director


Jeroen Bruins

Dated: 1 April 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PEACEWISE LIMITED****Opinion**

We have audited the financial report of PeaceWise Limited, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement 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, the accompanying financial report of PeaceWise Limited is 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 31 December 2018 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the Division 60 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 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.

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 under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Omniwealth Accounting & Advisory



John Stephens F.C.A

Level 22, Australia Square
264 George Street
SYDNEY NSW 2000

Date this 1st day of April 2019