

LIFEBRIDGE EAST INC

ABN: 35 023 657 150

**Financial Report For The Year Ended
30 June 2014**

LIFEBRIDGE EAST INC

ABN: 35 023 657 150

Financial Report For The Year Ended 30 June 2014

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LIFEBRIDGE EAST INC
ABN: 35 023 657 150
BOARD OF MANAGEMENT REPORT

Your Board of Management submit the financial report of the Lifebridge East Inc for the financial year ended 30 June 2014.

Board of Management

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

Milena Morrow
Raja Jata appointed (26/03/2014)
Jenny Hicks
Alicia Northcott
Robyn Owens
Garry Smith
Carole Van't Riet
Phil Barron resigned (25/03/2014)
Sue Nunn resigned (3/03/2014)

Principal Activities

The principal activities of the entity during the financial year were:

- to provide disability, aged care and carer support services to members of the community who are eligible for those services.

Significant Changes

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

Operating Result

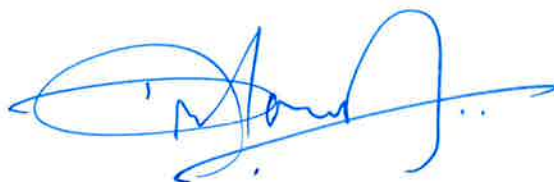
The profit after providing for income tax amounted to \$263,262.

Signed in accordance with a resolution of the Board of Management.

Milena Morrow



Raja Jata



Dated this 7th day of November 2014

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
REVENUE	2	<u>9,769,344</u>	<u>9,393,342</u>
		<u>9,769,344</u>	<u>9,393,342</u>
EXPENDITURE			
Employee benefits expense	3	6,500,921	6,698,647
Brokerage paid		772,703	634,398
Program and related expenses		673,697	804,272
Office expenses		328,282	336,069
Depreciation and amortisation expense	3	194,518	175,158
Motor vehicle expenses		159,043	177,422
Employee on costs	3	136,281	325,372
Rental expense	3	124,821	97,541
Insurance-general		40,708	28,941
Funding returned to funding body		18,391	-
Marketing		9,526	16,234
Temporary labour hire		9,042	776
Impairment of buildings	3	-	373,424
Items under \$5000 expensed	1(b)	-	56,831
Other costs		159,764	156,603
Administration (internal)		378,385	(131,287)
		<u>9,506,082</u>	<u>9,750,401</u>
Current year surplus/(deficit) before income tax		263,262	(357,059)
Income tax expense	1(a)	-	-
Current year surplus/(deficit) for the year		<u>263,262</u>	<u>(357,059)</u>

The accompanying notes form part of the financial statements.

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Net current year surplus/(deficit)	263,262	(357,059)
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>263,262</u>	<u>(357,059)</u>

The accompanying notes form part of these financial statements.

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,030,770	107,484
Trade and other receivables	5	162,375	205,975
Financial assets	6	2,213,952	2,119,839
Total current assets		<u>3,407,097</u>	<u>2,433,298</u>
Non current assets			
Property, plant and equipment	7	1,869,684	2,064,203
Total non current assets		<u>1,869,684</u>	<u>2,064,203</u>
TOTAL ASSETS		<u>5,276,781</u>	<u>4,497,501</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	645,477	191,684
Employee provisions	9	623,727	592,481
Total current liabilities		<u>1,269,204</u>	<u>784,165</u>
Non current liabilities			
Employee provisions	9	206,380	175,401
Total non current liabilities		<u>206,380</u>	<u>175,401</u>
TOTAL LIABILITIES		<u>1,475,584</u>	<u>959,566</u>
NET ASSETS		<u>3,801,197</u>	<u>3,537,935</u>
ACCUMULATED FUNDS			
Retained surplus		3,801,197	3,537,935
TOTAL ACCUMULATED FUNDS		<u>3,801,197</u>	<u>3,537,935</u>

The accompanying notes form part of these financial statements.

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2012	3,894,994	3,894,994
Comprehensive income		
Net (deficit) for the year	(357,059)	(357,059)
Total comprehensive income attributable to the entity	(357,059)	(357,059)
Balance at 30 June 2013	3,537,935	3,537,935
Balance as at 1 July 2013	3,537,935	3,537,935
Comprehensive income		
Net surplus for the year	263,262	263,262
Total comprehensive income attributable to the entity	263,262	263,262
Balance at 30 June 2014	3,801,197	3,801,197

The accompanying notes form part of these financial statements.

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding bodies, clients & brokerage		10,694,762	9,678,422
Payments to funding bodies, clients & brokerage and ATO		(9,795,635)	(10,308,738)
Interest received		118,271	140,991
Receipts of funding for cottage extension		-	30,000
Net cash generated from/(used in) operating activities		<u>1,017,398</u>	<u>(459,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(164,842)
(Increase)/decrease in term deposits		(94,112)	540,767
Net cash generated by /(used in) investing activities		<u>(94,112)</u>	<u>375,925</u>
Net increase/(decrease) in cash held		923,286	(83,400)
Cash on hand at beginning of financial year		107,484	190,884
Cash on hand at end of financial year	4	<u>1,030,770</u>	<u>107,484</u>

The accompanying notes form part of these financial statements.

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The financial statements cover Lifebridge East Inc as an individual entity. Lifebridge East Inc is an association incorporated in New South Wales and operating pursuant to the Associations Incorporation Reform Act 2013.

The financial statements were authorised for issue on 7 November 2014 by the members of the Board of Management.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Lifebridge East Inc has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The company has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements and AASB 2012-7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Association Incorporations Reform Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

The entity is exempt from Income Tax in accordance with Division 50 of the Income Tax Assessment Act 1997. Consequently, no provision for income tax has been brought to account.

(b) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

The cost of fixed assets constructed by the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The Board has approved the policy that only assets in excess of \$5,000 in value be capitalised and represented in Lifebridge East Inc's financial statements. The Board has further approved the policy that all assets less than \$5,000 considered to be valuable and attractive (e.g. laptops, mobile phones, furniture etc) be recorded in a Valuable and Attractive Assets Register.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	6.67% - 25%
Leasehold improvements	10%
Motor vehicles	10% - 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

LIFEBRIDGE EAST INC

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(e) Employee Provisions

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for services provided in the ordinary course of business. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(h) Revenue and Other Income

Government funding

The entity's aged care and disability programs are supported by grants received from federal (Commonwealth), state and local governments. Funding is received on condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Funding revenue (including those for capital projects) is recognised as services are performed or conditions fulfilled. Funding is deferred to the next financial year when specified services have not been delivered or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Interest received

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Fees

Fee income is recognised when the service is provided to the entity's clients.

Brokerage income

Brokerage income is recognised upon invoice.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 with other receivables or payables in the statement of financial position.

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

LIFEBRIDGE EAST INC

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(j) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

(k) **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity 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.

(l) **Provisions**

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) **Critical Accounting Estimates and Judgments**

The Board evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates

- (i) Impairment - General

Key Judgments

- (i) Provision for impairment of receivables
Lifebridge East Inc applies a "best effort" principle to pursuing outstanding receivables. Lifebridge East Inc is unable to refuse service for unpaid receivables in the context of current funding agreements.
- (ii) Provision for depreciation
Assessments are made on the useful lives of fixed assets. Depreciation rates are set accordingly.
- (iii) Provision for long service leave - probabilities
Assessments are made on the probability of staff taking long service leave. This took into account history with the entity itself and characterisation of this industry. Staff with four years services were assessed at 60%, seven years and beyond at 100% .

Note 2 Revenue and Other Income

	Note	2014 \$	2013 \$
Funding Revenue			
— State funding (ADHC) - recurrent		6,564,660	6,018,867
— Commonwealth funding - recurrent		1,503,595	1,471,111
— State funding (ADHC) - non-recurrent		56,519	803,137
— Commonwealth funding - non-recurrent		48,690	70,000
— Funding income received for capital projects - Kingscliff		-	30,000
— Miscellaneous funding		3,500	16,509
		<u>8,176,964</u>	<u>8,409,624</u>
Internal Revenue			
— Administration fees (charged to programs)	2(b)	408,867	-
		<u>408,867</u>	<u>-</u>

LIFEBRIDGE EAST INC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Brokerage - external			
— Brokerage - external		570,443	432,189
— Brokerage - "Your Choice"	2(a)	94,745	63,628
— Brokerage - other (net of internal charges)		103,462	51,234
		<u>768,650</u>	<u>547,051</u>
Other Revenue		2014 \$	2013 \$
— Fees received		253,868	224,042
— Interest received		118,271	140,991
— Other		42,724	71,634
		<u>414,863</u>	<u>436,667</u>
Total revenue		<u>9,769,344</u>	<u>9,393,342</u>

- (a) Brokerage - "Your Choice" is internally generated revenue with a corresponding expense included in the "brokerage paid" expense, disclosed on the face of the income and expenditure statement. The grossing up of this revenue and expense is not considered material and has no effect on the entity's profit before tax. This amount is also included in the gross receipts and payments of cash in the cashflow statement, but has no effect on the cash generated from operations.
- (b) There is a requirement to show the full amount of funding received based on the funding agreement. Subsequent treatment of admin charges inflates both expense and income by the value of admin charges. However, the net result is a true reflection of the business activity achievement.

Note 3 Disclosables expenses

Expenses	2014 \$	2013 \$
Employee benefits expense		
— Employee benefit expenses	6,500,921	6,698,647
— Employee on costs	136,281	325,372
	<u>6,637,202</u>	<u>7,024,019</u>
Rental expense on operating leases	<u>124,821</u>	<u>97,541</u>
Depreciation		
— Buildings	8,750	8,774
— Leasehold improvements	81,508	91,469
— Plant and equipment	104,260	77,205
— Other	-	(2,290)
	<u>194,518</u>	<u>175,158</u>
Impairment of buildings	<u>-</u>	<u>373,424</u>

Note 4 Cash and Cash Equivalents

	13	2014 \$	2013 \$
Various working accounts		1,020,769	98,484
Cash on hand		10,001	9,000
		<u>1,030,770</u>	<u>107,484</u>
Total cash and cash equivalents as stated in the cash flow statement		<u>1,030,770</u>	<u>107,484</u>

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 5 Trade and Other Receivables

	Note	2014 \$	2013 \$
CURRENT			
Trade receivables		134,255	165,123
Other (including interest accrued)		28,120	40,852
Total trade and other receivables	13	<u>162,375</u>	<u>205,975</u>

Financial Assets classified as loans and receivables

		2014 \$	2013 \$
Accounts receivable and other debtors			
— total current	13	<u>162,375</u>	<u>205,975</u>

Note 6 Financial Assets

		2014 \$	2013 \$
CURRENT			
Held to maturity financial assets			
— Term deposits		<u>2,213,952</u>	<u>2,119,839</u>
		<u>2,213,952</u>	<u>2,119,839</u>

Note 7 Property, Plant and Equipment

		2014 \$	2013 \$
Land			
At cost		<u>323,522</u>	<u>323,522</u>
Buildings			
At cost		416,536	416,534
Accumulated depreciation (including impairment)		(75,286)	(66,534)
		<u>341,250</u>	<u>350,000</u>
Plant and equipment:			
At cost		1,226,445	1,226,446
Accumulated depreciation		(755,103)	(650,842)
		<u>471,342</u>	<u>575,604</u>
Leasehold improvements (to Council property- Kingscliff)			
Accumulated amortisation		912,177	912,177
		(178,607)	(97,100)
		<u>733,570</u>	<u>815,077</u>
Total property, plant and equipment		<u>1,869,684</u>	<u>2,064,203</u>

(a) Plant and equipment

Plant and equipment includes motor vehicles with a carrying value of \$340,852 (2013:\$422,144).

(b) Leasehold Improvements (the 'cottage' at Kingscliff)

Lifefridge Inc has an agreement with Council whereby it is responsible for the maintenance and upkeep of property at Kingscliff, used for the provision of aged care services. Lifefridge East Inc has negotiated a 20 year peppercorn lease of \$1 annually with the Council, expiring on 31 August 2032.

In the 2011 and 2012 financial years, Lifefridge East Inc renovated the property extensively. The project was commissioned in the 2013 financial year.

LIFEBRIDGE EAST INC
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 13 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivables and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	4	1,030,770	107,484
Accounts receivable and other debtors	5	162,375	205,975
Held to maturity financial assets			
— term deposits	6	<u>2,213,952</u>	<u>2,119,839</u>
Total financial assets		<u>3,407,097</u>	<u>2,433,298</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
— Accounts payable and other payables	8	<u>645,477</u>	<u>191,684</u>
Total financial liabilities		<u>645,477</u>	<u>191,684</u>

Note 14 Economic Dependence

Lifefridge East Inc is dependent on State funding (ADHC) and Commonwealth funding for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the government departments referred to above will not continue to support Lifefridge East Inc.

The Acting Chief Executive of NSW Family and Community Services, Ageing, Disability and Home Care, provided formal advice to Lifefridge management regarding expiry of the ADHC funding agreement (30 June 2015) in the form of an undated letter, received 12 September 2014. ADHC acknowledged the need for organisations to receive funding assurance for business continuity, internal and external audit purposes, and to demonstrate ongoing sustainability. Further ADHC advised the department intends to continue to fund supports and services for people with disability for an additional 12 months, subject to existing funding agreement terms, until 30 June 2016. After this time NSW commences transition to the NDIS.

Note 15 Disability Audit

Lifefridge East Inc was subject to an external disability services audit during the 2013/2014 financial year. Some gaps were identified and operations are expected to be fully compliant early in the 2014/2015 financial year.

Note 16 Entity Details

The registered office of the entity is:

Lifefridge East Inc
56 Caloola Drive
Tweed Heads
NSW 2485

The principal place of business is:

Lifefridge East Inc
P O Box 338
Tweed Heads
NSW 2485

LIFEBRIDGE EAST INC
ABN: 35 023 657 150
ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION
AND PERFORMANCE OF INCORPORATED ASSOCIATION

I, Melina Morrow, and Raja Jata, being members of the Board of Management of the Lifebridge East Inc, certify that -
The statements attached to this certificate, give a true and fair view of the financial position and performance of the Lifebridge East Inc during and at the end of the financial year of the entity ending on 30 June 2014.

Signed:



Dated:

7/11/2014

Signed:



Dated:

7/11/2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFEBRIDGE EAST INC

Report on the Financial Report

We have audited the accompanying financial report of Lifebridge East Inc (the entity), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Board on the annual statements giving a true and fair view of the financial position and performance of the entity.

Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Reform Act 2013 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting under the Associations Incorporation Act New South Wales. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Lifebridge East Inc is in accordance with the requirements of the Associations Incorporation Reform Act 2013, including:

- I. giving a true and fair view of the company's financial position as at 30 June 2014, and of its performance for the year ended on that date; and
- II. complying with Australian Accounting Standards – Reduced Disclosure Requirements

Emphasis of Matter

Without qualifying our opinion, attention is drawn to the sale of Dungay after the 2014 financial year, more fully described in note 11.

Other Matters

Matters Relating to the Electronic Publication of the Audited Financial Report.

This auditor's report relates to the financial report of Lifebridge East Inc for the year ended 30 June 2014 included on Lifebridge East Inc website. The Board's directors are responsible for the integrity of Lifebridge East Inc website. We have not been engaged to report on the integrity of the Lifebridge East Inc website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

WFD Assurance Services Pty Ltd

Name of Firm: **WFD Assurance Services Pty Ltd**

B. Dunnett

Name of Director: **Barry Dunnett CA**

Professional Organisation: Institute of Chartered Accountants in Australia
Registration number: 213667

Address: 39 Wharf St, Tweed Heads NSW 2485

Dated this 10 November 2014