

LIFEBRIDGE AUSTRALIA LIMITED
ABN 35 023 657 150

Financial report for the year ended 30 June 2017

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Milena Morrow (since 25/3/2015)	Raja Jata (since 25/3/2015)
Jenny Hicks (since 22/4/2015)	Garry Smith (since 19/5/2015)
Norman Henstridge (since 22/4/2015)	Claire Treadgold (since 25/3/2015)
Rebecca Mussett (since 22/4/2015)	Jennifer Howe (appointed 25/11/2015)

Principal Activities

The principal activity of the company during the financial year were:

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

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Maintain sustainability
- Review and understand changes as they are implemented for the NDIS and Aged Care reform
- Continue to review and upgrade internal IT system and business processes

The company's long-term objectives are to:

- Understand and enable our customers to live life their way so they can always achieve their potential and remain as independent as possible
Secure a sustainable future for Lifebridge that allows us to support our customers
- Review Lifebridge's position and develop strategies to increase its market share

- Develop a sustainable business around the implementation of Home Care Packages

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Retain customer-base while meeting customer needs in an NDIS environment
- Create an autonomous work structure around self-managed teams
- Move towards an integrated business structure
- Increase community awareness of Lifebridge's services in order to build our reputation

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Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

1. We will keep at least 85% of our direct support customers in the first year of NDIS
2. Accreditation under Aged Care & Disability Services is successful
3. Budget delivered on target
4. Meeting Customer Needs – 10% increase in customer satisfaction
5. 100% of customers will have a pre-plan that aligns with the NDIS service clusters
6. Recruit & support skilled staff and volunteers and build the Lifebridge culture
7. Five new customers receiving Home Care Packages
8. Presentation & Adoption of Brand & Communication guidelines to staff members
by December 2017
9. A minimum of five activities that have the potential to increase awareness of the Lifebridge brand at a strategic level will be undertaken.

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Information on Directors	
Milena Morrow	– Chair - Director since 25 March 2015
Qualifications	– Diploma of Accounting, Diploma in Professional Editing, Chair of the Tweed Shire Council Equal Access Advisory Committee, Chair of Living My Way Limited (Sydney-based), Member of North West Alliance Ability Links Leadership Group, Member of the Australian Institute of Company Directors.
Experience	– Milena was appointed to the Board in 2007 and was elected as Chairperson in 2008. Milena is the first person with a disability to serve on the Board of Lifebridge and take on the leadership position. Milena's background includes 16 years' experience in financial management, training and over 20 years working in the disability sector. Milena was also a business owner for several years offering computerised accounting solutions and consultancy to small businesses. Milena is a member of the Australian Institute of Company Directors and is also a writer/editor with a Diploma in Professional Editing through the Australian College of Journalism. As a person with a lifelong disability, Milena is a strong advocate for all members of the community to live a purposeful, fulfilling and inclusive life, and is committed to raising awareness through her public speaking.
	– Appointed to the Board of Lifebridge East Inc. in 2007 (at that time named Tweed Valley Respite Services Inc.)
Garry Smith	– Vice Chair - Director since 19 May 2015
Qualifications	– Town Planning Certificate, Diploma in Business Administration (Local Government), Diploma in Financial Management (Local Government).
Experience	– Garry's background is in Local Government Town Planning. He has worked at Maitland Council in the Hunter Valley, Leichardt Council in Sydney and at the Tweed Shire Council. Garry retired in 2008 after spending almost 43 years in this field and the last 20 years were predominately in Management positions that provided experience in governance, human resources, finance and legal matters associated with the field of town planning. Garry was made a Life Member of the Murwillumbah Apex Club in 1988 and is a member of the Murwillumbah Branch of the State Emergency Service.
	– Appointed to the Board of Lifebridge East Inc. in 2010 (at that time named Tweed Valley Respite Services Inc.)
Raja Jata	– Treasurer - Director since 25 March 2015
Qualifications	– Fellow of CPA Australia, Fellow of Tax Institute, Fellow of CPA UK, Member of the Institute of Management Consultants, Registered Tax Agent, Masters of Commerce (Acct & IS), Bachelor of Commerce, Graduate Certificate in Financial Planning, Accredited Mortgage Consultant.

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Information on Directors (cont.)	
Experience	<p>Raja's background includes more than 18 years of experience as a Business Advisor and Consultant. Raja has been an investor and a strategic advisor, gaining extensive experience across the construction, healthcare, retail, pharmaceuticals, import/export and franchise industries among others.</p> <p>He was the man behind 'JATA Rolling Shield – Australia's Largest Twenty 20 Cricket Tournament' that had more than 128 teams participating from across Victoria. He has also provided consulting services to various International Cricket Council members in different capacities and pioneered the implementation of Six Sigma Methodologies for player improvement in the sport of cricket.</p> <p>Raja has run a number of companies, led complex strategies within large corporations and advised on technical projects as an external consultant. His career experience spans start-ups to Government and established multinationals in both consumer and business to business (B2B) environments.</p>
	<p>Appointed to the Board of Lifebridge East Inc. in 2014</p>
Jenny Hicks	<p>Director since 22 April 2015, Public Officer since 25 March 2015</p>
Qualifications	<p>Registered Nurse, Registered Midwife, Bachelor of Arts, Cert IV in Training and Assessment, Cert IV in Aged Care, Statement of Attainment in Aboriginal Cultural Education.</p>
Experience	<p>A long-term resident of Byron Bay Jenny has held several community and voluntary roles in the town including school P&Cs, sporting and early childhood organisations. Jenny has over 20 years' experience in Tertiary Adult Education, particularly in the areas of Childcare, Aboriginal Health and Nursing with TAFE NSW, ACE and Southern Cross University. In her teaching role at TAFE NSW Jenny established and coordinated the Cert. III Aged Care/Nursing at Murwillumbah and Kingscliff and acted as head teacher of both Nursing and Child Studies at TAFE NSW. Training included Staff Selection, Conflict Resolution, Risk Assessment and Workplace Safety. One of Jenny's many achievements was coordinating and enabling a group of indigenous students to complete a state first Cert IV in Aboriginal Health, which included writing of the curricula. Jenny is also on the Board of the Tweed, Byron and Ballina Community Transport.</p>
	<p>Appointed to the Board of Lifebridge East Inc. in 2005 (at that time named Tweed Valley Respite Services Inc.)</p>
Claire Treadgold	<p>Director since 25 March 2015</p>
Qualifications	<p>PhD in Education, a Masters of Arts in Communications Bachelor of Arts and Graduate Diplomas in Educational Studies, Adolescent Health and Welfare (Oncology).</p>

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Information on Directors (cont.)	
Experience	<p>Claire has over twenty years' experience in non-profit management, with a particular focus in health and community services. As well as managing her own consulting business, she is the National Manager of Research and Evaluation for the Starlight Children's Foundation. Previously Claire was the General Manager of Operations and Services for the national charity CanTeen (the Australian Organisation for Young People Living with Cancer) and before that the national director of the YWCA's breast cancer support program, Encore. Claire has held a number of community and voluntary roles including as a member of the Cancer Australia National Reference Group, the Australian Government's Ministerial Advisory Committee on Mentoring, a Board Member of the Reg Waite Award for Young Australian Achievers and is the current Chair of the YWCA's national nominations committee.</p>
	– Appointed to the Board of Lifebridge East Inc. in 2014.
Norman Henstridge	– Director since 22 April 2015
Qualifications	– Degree in Applied Science, an MBA from Queensland University, is an Associate Fellow of the ACHSM and a Member of the AICD
Experience	<p>– Norm's background is in acute healthcare having worked in pathology, hospital administration, radiology in the public and private sector, and commercial organisations. He retired from full time work in 2004 and has been undertaking health planning consulting work since then.</p> <p>A long-term assignment has been planning and managing a diagnostic cardiology service in Fiji in association with an Australian cardiologist.</p> <p>Norm is also on the Board of the Tweed Heads and Coolangatta RSL Sub-branch, having served as Treasurer for six years. In this role, he sees similar needs among the military veteran community as is served by Lifebridge in the general community. Norm was a Medical Corps officer in the Army Reserve for 15 years, retiring with the rank of Major.</p>
	– Appointed to the Board of Lifebridge East Inc. in 2014
Rebecca Mussett	– Director since 22 April 2015
Qualifications	– Masters of Business Administration (sub majors Health Management and Industrial Relations), Bachelor of Arts (majors in Classical Ancient History and Archaeology), Diploma in Frontline Management (Aged Care).

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Information on Directors (cont.)	
Experience	<p>Rebecca has worked for nearly 20 years in the aged care and not for profit sector, primarily as General Manager or Chief Executive Officer of residential aged care facilities as well as Director of various companies and/or Boards.</p> <p>Rebecca held the position of Chief Executive Officer of Lifebridge from 2011-2014 until an opportunity to buy a business with her husband in May 2014 was too good to pass up! Now a very happy and settled small business owner,</p>
	<p>Appointed to the Board of Lifebridge East Inc. in 2014</p>
Jennifer Howe	<p>Director since 25 November 2015</p>
Qualifications	<p>Bachelor of Science (Psychology), Graduate of the Australian Institute of Company Directors (GAICD), Chartered Member of the Australian Human Resources Institute (CAHRI).</p>
Experience	<p>Jennifer's commercial experience spans business development, operations, human resources and consulting. Jennifer has worked in Australia and Europe in strategic and operational HR management in a global IT company and a large commercialisation organisation.</p> <p>Jennifer is currently Head of Sales and Marketing for a national career management firm.</p>
	<p>Appointed to the Board of Lifebridge Australia Ltd. in 2015</p>

Information on Company Secretary

Susan Williams	<p>Company Secretary appointed 25 March 2015</p>
Qualifications	<p>Member Australian Institute of Company Directors (MAICD), Fellow Certified Practising Accountant (FCPA), Fellow Governance Institute of Australia (FGIA), Fellow Institute of Chartered Secretaries and Administrators (FCIS), Master of Business Administration (International Business), Graduate Diploma of Applied Corporate Governance, Bachelor of Arts (Accounting), Registered Tax Agent.</p>
Experience	<p>Corporate Governance professional and non-Executive Director with over 9 years' experience in both disability and community housing. Executive career including CFO and Company Secretary roles with ASX, NSX and NASDAQ listed companies, as well as private and not-for-profit organisations across a range of industries.</p>

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Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director/board member were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Milena Morrow	11	6
Raja Jata*	11	6
Jenny Hicks*	11	8
Garry Smith	11	11
Claire Treadgold	11	10
Norman Henstridge	11	9
Rebecca Mussett	11	8
Jennifer Howe	11	11

* (The Board approved leave of absence for Jenny Hicks for 2 meetings in this financial year), and Milena Morrow for 3 meetings in this financial year as permitted by the company's constitution.

N.B. Raja was available for the February 2017 meeting via Skype, however, due to in-house technology connection was prevented.

Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$110.00.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 8 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director: Milena Morrow



Director: Raja Jata

Dated this 25th day of October 2017

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LIFEBRIDGE AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Name of Firm: GRANT & BRADY

A handwritten signature in black ink, appearing to read 'Peter Grant', is written over a horizontal line.

Name of Partner: PETER R. GRANT

Date: 04/10/2017

Address: 107 Murwillumbah Street
MURWILLUMBAH
NSW 2484

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2017**

	Note	2017	2016
		\$	\$
Revenue	2	13,114,807	10,568,076
Employee benefits expense	3	7,819,955	7,049,078
Brokerage paid		20,034	61,575
Program and related expenses		2,150,776	1,866,192
Consultancy Fees		29,909	354,502
Office Expenses		267,733	263,918
Depreciation and amortisation expense	3	77,864	63,317
Motor vehicle expenses		161,579	149,610
Rental expense	3	119,072	116,128
Insurance – general		41,497	39,777
Insurance – workers compensation		151,973	268,341
Marketing		83,109	27,176
Subcontractors		50,427	197,025
Items under \$5,000 expensed		1,297	2,095
Other expenses		548,506	483,168
Administration (internal)	2 (b)	1,429,485	-
Profit/(Loss) before income tax		161,591	(373,826)
Income tax expense		-	-
Profit/(Loss) for the year		161,591	(373,826)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		161,591	(373,826)
Profit/(Loss) attributable to members of the entity		161,591	(373,826)
Total comprehensive income/(loss) attributable to members of the entity		161,591	(373,826)

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,256,157	560,504
Trade and other receivables	5	70,662	103,683
Financial assets	6	3,507,113	3,372,566
Other assets	7	45,233	304,026
TOTAL CURRENT ASSETS		4,879,165	4,340,779
NON-CURRENT ASSETS			
Property, plant and equipment	8	911,147	1,001,285
TOTAL NON-CURRENT ASSETS		911,147	1,001,285
TOTAL ASSETS		5,790,312	5,342,064
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,206,385	912,200
Provisions	10	697,791	619,295
TOTAL CURRENT LIABILITIES		1,904,176	1,531,495
NON-CURRENT LIABILITIES			
Provisions	10	184,351	270,375
TOTAL NON-CURRENT LIABILITIES		184,351	270,375
TOTAL LIABILITIES		2,088,527	1,801,870
NET ASSETS		3,701,785	3,540,194
EQUITY			
Retained earnings		3,701,785	3,540,194
TOTAL EQUITY		3,701,785	3,540,194

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

Note	Retained Earnings \$	Financial Assets Reserve \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2015	3,914,020	-	-	3,914,020
Comprehensive income				
Profit/(Loss) for the year	(373,826)	-	-	(373,826)
Other comprehensive income for the year				
Total comprehensive income attributable to members of the entity for the year	(373,826)	-	-	(373,826)
Balance at 30 June 2016	3,540,194	-	-	3,540,194
Balance at 1 July 2016				
Comprehensive income				
Profit/(Loss) for the year	161,591	-	-	161,591
Other comprehensive income for the year				
Total comprehensive income attributable to members of the entity for the year	161,591	-	-	161,591
Balance at 30 June 2017	3,701,785	-	-	3,701,785

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from funding bodies, clients and brokerage		11,786,323	10,577,549
Payments to from funding bodies, clients, brokerage and ATO		(11,048,336)	(10,820,535)
Interest received		92,213	133,097
Net cash generated from operating activities		830,200	(109,889)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
(Increase)/Decrease in Term Deposits		(134,537)	146,550
Net cash used in investing activities		(134,537)	146,550
Net increase in cash held		695,653	36,661
Cash and cash equivalents at beginning of financial year		560,504	523,843
Cash and cash equivalents at end of financial year	4	1,256,157	560,504

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Lifefridge Australia Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company 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. 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 accrual 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.

The financial statements were authorised for issue on 25/10/2017 by the directors of the company.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the client.

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

Brokerage income is recognised upon invoicing to the client.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

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).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

The Board has approved the policy that only assets in excess of \$5,000 in value be capitalised. 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, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready 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.

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% - 18.75%

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 proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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 company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Derecognition

Financial assets are derecognised when 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 or 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. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

e. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 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 company'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

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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.

Provision is made for the company's obligation for other long-term employee benefits, which 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. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All

LIFEBRIDGE AUSTRALIA LIMITED

ABN 35 023 657 150

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

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 short-term borrowings in current liabilities on the statement of financial position.

g. 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 or 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.

h. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

i. 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.

j. Comparative Figures

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

k. Trade and Other Payables

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

l. Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgements 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 company.

Key judgements

Provision for impairment of receivables

Lifebridge Australia Ltd applies a "best effort" principle to pursuing outstanding receivables.

Lifebridge Australia Ltd is unable to refuse service for unpaid receivables in the context of current funding agreements.

LIFEBRIDGE AUSTRALIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Provision for depreciation

Assessments are made on the useful lives of fixed assets. Depreciation rates are set accordingly.

Provision for long service leave – probabilities

Assessments are made on the probability of staff taking long service leave. This has taken into account the history within the entity itself and characterisation of the industry. The following probabilities have been used to determine long service leave during the year -

Years of service	Probability
0 – 2	25%
2 – 3	30%
3 – 4	40%
4 – 5	60%
5 – 6	70%
6 +	100%

m. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

LIFEBRIDGE AUSTRALIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE AND OTHER INCOME

	Note	2017	2016
		\$	\$
Revenue			
Funding Revenue			
– State funding (ADHC) – recurrent		8,579,137	7,885,532
– Commonwealth funding – recurrent		2,319,166	1,931,347
– Commonwealth funding – non-recurrent		-	-
– Miscellaneous funding		-	20,000
		10,898,303	9,836,879
Internal revenue			
– Administration fees (charged to programs)	2 (b)	1,429,485	-
		1,429,485	-
Brokerage – external			
– Brokerage – Disability		245,767	208,553
– Brokerage – Aged Care		26,007	18,849
		271,774	227,402
Other revenue			
– Fees received		305,813	257,156
– Interest received		92,213	138,593
– Profit on sale of property		-	-
– Catering		15,752	30,558
– Other		101,467	77,488
		515,245	503,795
Total revenue		13,114,807	10,568,076

- (a) Brokerage – external is internally generated revenue with a corresponding expense included in the “Brokerage paid” expense, disclosed in the statement of profit or loss and other comprehensive income. The grossing up of this revenue and expense has no effect on the entity’s profit. This amount is also included in the gross receipts and payments 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 administration charges inflates both expense and income categories. However, the net result is a true reflection of the business activity achievement.

LIFEBRIDGE AUSTRALIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: PROFIT FOR THE YEAR

	Note	2017	2016
		\$	\$
a. Expenses			
Employee benefits expense			
– Employee benefits expense		7,819,955	7,049,078
Rental expense on operating leases		119,072	116,128
Loss on sale of fixed assets		12,274	-
Administration fees (charged to programs)	2 (b)	1,429,485	-
Depreciation and amortisation:			
– Buildings & Leasehold Improvements		34,991	16,550
– Plant and equipment		42,873	46,767
Total depreciation and amortisation		77,864	63,317

NOTE 4: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
CURRENT		
Cash at bank	1,249,157	552,503
Cash on hand	7,000	8,001
	1,256,157	560,504

LIFEBRIDGE AUSTRALIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2017	2016
		\$	\$
CURRENT			
Trade receivables		57,926	71,157
Less: Provision for Doubtful Debts		-	1,010
Total trade receivables		57,926	70,147
Other receivables:			
Sundry Debtors		12,736	40,853
Less: Provision for Doubtful Debts		-	7,317
Total other receivables		12,736	33,536
Total current trade and other receivables		70,662	103,683

NOTE 6: FINANCIAL ASSETS

		2017	2016
		\$	\$
CURRENT			
Held to maturity financial assets			
– Term deposits		3,507,113	3,372,566
		3,507,113	3,372,566

NOTE 7: OTHER ASSETS

		2017	2016
		\$	\$
CURRENT			
Accrued income		-	47,962
Prepayments		45,233	256,064
		45,233	304,026

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Plant and Equipment		
Plant and equipment at cost	1,087,757	1,134,935
Less accumulated depreciation	(785,281)	(777,312)
Total plant and equipment	302,476	357,623
Leasehold Improvements		
Leasehold improvements (to council property – Kingscliff)	912,177	912,177
Accumulated amortisation	(303,506)	(268,515)
Total leasehold improvements	608,671	643,662
Total property, plant and equipment	911,147	1,001,285

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
2017			
Balance at the beginning of the year	357,623	643,662	1,001,285
Additions at cost	-	-	-
Additions at fair value	-	-	-
Disposals	(12,274)	-	(12,274)
Depreciation expense	(42,873)	(34,991)	(77,864)
Carrying amount at the end of the year	302,476	608,671	911,147

LIFEBRIDGE AUSTRALIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment includes motor vehicles with a carrying value of \$253,926 (2016: \$300,661)

Leasehold improvements (the 'cottage' at Kingscliff)

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

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2017	2016
		\$	\$
CURRENT			
Trade payables		41,967	62,920
Deferred income		140,172	28,952
Other current payables		1,024,246	820,328
	9a	1,206,385	912,200
a. Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– total current		1,206,385	912,200
		140,172	28,952
Less: deferred income		140,172	28,952
Less: other payables		1,024,246	820,328
Financial liabilities as trade and other payables	15	41,967	62,920

NOTE 10: PROVISIONS

	2017	2016
	\$	\$
CURRENT		
Provision for employee benefits: annual leave	446,724	412,765
Provision for employee benefits: long service leave	251,067	206,530
	697,791	619,295
NON-CURRENT		
Provision for employee benefits: long service leave	184,351	270,375
	184,351	270,375
	882,142	889,670

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: PROVISIONS

	Employee Benefits	Total
	\$	\$
Analysis of total provisions:		
Opening balance at 1 July 2016	889,670	889,670
Additional provisions raised during year	441,289	441,289
Amounts used	(448,817)	(448,817)
Balance at 30 June 2017	882,142	882,142

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 to the financial statements.

NOTE 11: CAPITAL AND LEASING COMMITMENTS

	2017	2016
	\$	\$
a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	22,275	81,120
– later than 12 months but not later than five years	53,577	-
	75,852	81,120

The property leased at 56 Caloola Drive, Tweed Heads is now on a month to month basis and has not been included in operating lease commitments as the arrangement can be terminated at any time.

A new lease was entered into for property situated at Griffith Street, Coolangatta for the period 1/8/2017 to 31/7/2020. This is reflected in operating lease commitments disclosed above.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2017	2016
	\$	\$
Key management personnel compensation	425,964	390,338

NOTE 14: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year there were no transactions with related parties.

NOTE 15: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts 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	2017	2016
		\$	\$
Financial assets			
Cash and cash equivalents	4	1,256,157	560,504
Trade and other receivables	5	70,662	103,683
Held-to-maturity investments	6	3,507,113	3,372,566
Total financial assets		<u>4,833,932</u>	<u>4,036,753</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	9a	41,967	62,920
Total financial liabilities		<u>41,967</u>	<u>62,920</u>

NOTE 16: ECONOMIC DEPENDENCE

Lifebridge Australia Ltd 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 Lifebridge Australia Ltd, until June 2018 for both Disability and Aged Care Services subject to the National Disability Insurance Scheme rollout.

LIFEBRIDGE AUSTRALIA LIMITED

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NOTE 17: CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure contracted for, at the date of this report, but not recognised in the financial statements:

	2017	2016
	\$	\$
Plant & equipment and leasehold improvements	134,000	-
	<u>134,000</u>	<u>-</u>

Capital expenditure is to be spent on the premises located at Kingscliff and Coolangatta.

LIFEBRIDGE AUSTRALIA LIMITED

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Lifebridge Australia Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2017 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Milena Morrow

Dated this 25th day of October 2017

LIFEBRIDGE AUSTRALIA LIMITED

ABN 35 023 657 150

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFEBRIDGE AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Lifebridge Australia Limited (the company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Lifebridge Australia Limited has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and 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 registered entity 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2017, 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 Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors 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 directors are responsible for assessing the registered entity'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 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.

LIFEBRIDGE AUSTRALIA LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LIFEBRIDGE AUSTRALIA LIMITED

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 effectiveness of the registered entity's internal control.

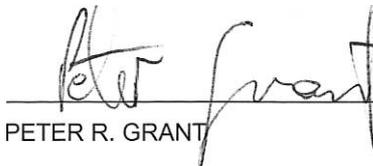
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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.

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

Name of Firm: GRANT & BRADY



Name of Partner: PETER R. GRANT

Date: 25 October 2017

Address: 107 Murwillumbah Street
MURWILLUMBAH
NSW 2484