

Treasurers Report

2016/2017 Financial Year Results

Scott Brooks- Treasurer

Financial Results

The 2016/17 financial year delivered a loss \$260,545.

As noted in previous reports the transition from ADHC funding to NDIS has placed increasing pressure on the ConnectAbility.

Despite increased revenue year on year from core activities (2017: \$5,865,385; 2016: \$5,512,312), the rate of transition from ADHC exceeded expectations. As a result, our ADHC revenue was below budget for the year, and while partially made up by increased NDIS revenue versus budget, the NDIS funding has a much lower margin.

This pressure has helped highlight operational inefficiencies in the organisation.

Significant drivers of this loss were:

- Redundancy costs as we restructured the operational structure to address inefficiencies
- Uncollected transportation costs – changes were made to our processes and policies in February to address this issue and ensure better recovery of our transport costs
- Unbilled time relating to cancellation of supports to NDIS participants – our policies have recently been updated to reduce our exposures here
- Costs of transition to CDC in JNA

In addition to operational changes above, we will continue to refine operational processes and organisational structures to adapt to the new model and continue to look to diversify our revenue streams.

We also look to the future with relocation to new premises which promises to create new opportunities for our clients and the organisation in general.

Consistent with prior years there are 2 substantial non-cash expense items:

- Depreciation (\$195,452)
- Movement in employee leave provisions (an increase of \$22,516)

The financial statements also include an adjustment relating to prior year depreciation and carrying value of leasehold improvements. The improvements were not being written down in accordance with the lease term, and with the relocation would need to be written off in 2017. This write-down has been reflected by prior period adjustments totalling \$235,971. I refer you to Note 12 of the financial statements for more detail.

We again were well supported by the broader community this year through the time of our many volunteers and financial support of many individuals and businesses. We are very thankful for this ongoing support.

Our cash reserves remain strong despite the operating loss, and the investment in our new site and the Hunter Valley Disability joint venture. Although strong we do see this loss and investment reflected in a reduction in these cash reserves (2017: \$715,518; 2016: \$951,017), and will remain focused on increasing these reserves through improved operating results and financing capital costs wherever appropriate.

The Committee is confident in the financial position, and ongoing viability, of the organisation and thanks senior management and the broader ConnectAbility team for their continued efforts to adapt the organisation to ensure it's long term success.

Finance, Risk and Opportunities Committee (FROC)

The FROC met on six occasions during the financial year. The key aim of this committee is to provide support to the Committee of Management and management staff in the areas of general risk management and to aid in the identification and leveraging of opportunities to diversify funding and grow services.

The FROC achieved the following key goals during the year:

- Oversight of the transition of home care as part of the Hunter Valley Disability joint venture
- Continued to explore additional merger opportunities to increase the scale of our current service offering and also look for complementary services to better support our clients
- Worked closely with senior management to refine operational processes and address structural issues as we finalise transition to a NDIS funding model

Fundraising Activities

ConnectAbility held two major fundraisers in the 2016/2017 financial year. Wine and Dine for Disability supported through the Commonwealth Bank and the corporate community and a charity Golf Day supported by local businesses and the community. Both these events will be held again in the 2017/2018 financial year. The funds raised through these events provide ConnectAbility with opportunities to enhance outcomes for participants, families and the organisation. We have an increased emphasis on attracting donations directly and through events following the transition to the NDIS. The donations received in 2016/2017 were utilised to further enhance the organisation's ability to have the motor vehicle fleet meet the needs of the customers in being able to get out into their communities. We were also able to purchase additional technology for use by the customers for educational and recreational activities.

Our sincere thanks to all who assisted and supported these activities. We also have built relationships with those that supported the events and have achieved additional outcomes for the organisation and individuals. An example is that one of our customers will now receive a grant from a local charity to support continued independence.

The Fundraising Committee will continue to look at other opportunities to diversify income through donations and fundraising.

General Observations

The Auditor's Report and statements as well as the full copy of the financial statements for the year ended 30th June 2017 are included in the Annual Report.

Despite the challenges of the last 12 months, ConnectAbility is well placed to turn the business performance around over the next 12-18 months, as we leverage the opportunities from our new site at Warabrook and incorporate the Hunter Valley Disability joint venture.

Disclosure of Interests

In accordance with the requirements of the Rules of Association, I advise members that no payments have been made to any Committee of Management member other than for reimbursement of out of pocket expenses incurred in the course of carrying out their function as elected committee members.

Connectability Australia Incorporated

ABN: 93 056 378 299

Financial Statements

For the Year Ended 30 June 2017

Connectability Australia Incorporated

ABN: 93 056 378 299

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Connectability Australia Incorporated

ABN: 93 056 378 299

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	2	5,879,204	5,533,436
Other income	2	270,074	325,465
Employee benefits expense		(5,533,306)	(4,913,787)
Depreciation expense	3	(195,452)	(219,174)
Other expenses	3	(681,065)	(722,357)
Surplus before income tax		(260,545)	3,583
Income tax expense		-	-
Surplus for the year		(260,545)	3,583
Other comprehensive income		-	-
Total comprehensive income for the year		(260,545)	3,583

The accompanying notes form part of these financial statements.

Connectability Australia Incorporated

ABN: 93 056 378 299

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	715,518	951,017
Trade and other receivables	5	589,691	484,723
Other assets	6	230,348	56,030
TOTAL CURRENT ASSETS		1,535,557	1,491,770
NON-CURRENT ASSETS			
Property, plant and equipment	7	416,184	484,195
TOTAL NON-CURRENT ASSETS		416,184	484,195
TOTAL ASSETS		1,951,741	1,975,965
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	451,905	338,191
Borrowings	9	19,468	7,998
Employee benefits	10	442,888	428,146
Other liabilities	11	7,040	-
TOTAL CURRENT LIABILITIES		921,301	774,335
NON-CURRENT LIABILITIES			
Borrowings	9	82,581	-
Employee benefits	10	64,540	57,766
TOTAL NON-CURRENT LIABILITIES		147,121	57,766
TOTAL LIABILITIES		1,068,422	832,101
NET ASSETS		883,319	1,143,864
EQUITY			
Retained surplus		883,319	1,143,864
TOTAL EQUITY		883,319	1,143,864

The accompanying notes form part of these financial statements.

Connectability Australia Incorporated

ABN: 93 056 378 299

**Statement of Changes in Equity
For the Year Ended 30 June 2017**

2017

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2016	1,143,864	1,143,864
Loss attributable to members of the entity	(260,545)	(260,545)
Balance at 30 June 2017	883,319	883,319

2016

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2015	1,140,281	1,140,281
Profit attributable to members of the entity	3,583	3,583
Balance at 30 June 2016	1,143,864	1,143,864

The accompanying notes form part of these financial statements.

Connectability Australia Incorporated

ABN: 93 056 378 299

Statement of Cash Flows
For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,123,884	5,671,973
Payments to suppliers and employees	(6,370,420)	(6,142,621)
Interest received	15,439	24,147
Finance costs	(1,240)	(2,562)
Net cash provided by/(used in) operating activities	16 <u>(232,337)</u>	<u>(449,063)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	35,000	58,736
Purchase of property, plant and equipment	(132,213)	(235,320)
Net cash used by investing activities	<u>(97,213)</u>	<u>(176,584)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	107,859	-
Repayment of borrowings	(13,808)	(27,583)
Net cash used by financing activities	<u>94,051</u>	<u>(27,583)</u>
Net increase/(decrease) in cash and cash equivalents held	(235,499)	(653,230)
Cash and cash equivalents at beginning of year	951,017	1,604,247
Cash and cash equivalents at end of financial year	4 <u>715,518</u>	<u>951,017</u>

The accompanying notes form part of these financial statements.

Connectability Australia Incorporated

ABN: 93 056 378 299

Notes to the Financial Statements For the Year Ended 30 June 2017

The financial statements cover Connectability Australia Incorporated as an individual entity. Connectability Australia Incorporated is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010* ('the Act').

The principal activities of the Association for the year ended 30 June 2017 were to deliver and expand the ongoing operations to support the development and maintenance of life skills, social opportunities, and friendships for people with a disability in the Hunter and surrounding regions.

The functional and presentation currency of Connectability Australia Incorporated is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, and the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Connectability Australia Incorporated

ABN: 93 056 378 299

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, 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.

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 statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue

Interest is recognised using the effective interest method.

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(g) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Connectability Australia Incorporated

ABN: 93 056 378 299

Notes to the Financial Statements For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(h) Property, Plant and Equipment

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

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a reducing balance basis over the asset's useful life 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.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Connectability Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Revenue and Other Income

	2017	2016
	\$	\$
Revenue		
- Operating grants	5,865,385	5,512,312
- Interest received	13,819	21,124
	<u>5,879,204</u>	<u>5,533,436</u>
Other income		
- Brokerage fees	48,201	47,645
- Profit on disposal of fixed assets	30,228	55,230
- Other income	191,645	222,590
	<u>270,074</u>	<u>325,465</u>

3 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

Depreciation		
- Leasehold	34,395	34,395
- Motor vehicles	125,593	145,481
- Plant and equipment	14,323	13,540
- Office equipment	4,566	9,830
- Computer equipment	16,575	15,928
	<u>195,452</u>	<u>219,174</u>
Other expenses:		
Rent and Outgoings	136,173	129,461
Motor vehicle costs	80,704	101,868
Consultants fees and computer expenses	103,336	135,752
Other operational expenses	360,852	355,276
Total other expenses	<u>681,065</u>	<u>722,357</u>

4 Cash and cash equivalents

Cash at bank and in hand	688,018	951,017
Short-term bank deposits	27,500	-
	<u>715,518</u>	<u>951,017</u>

5 Trade and other receivables

CURRENT		
Trade receivables	589,691	483,103
Other receivables	-	1,620
	<u>589,691</u>	<u>484,723</u>

Connectability Australia Incorporated

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**Notes to the Financial Statements
For the Year Ended 30 June 2017**

6 Other non-financial assets

CURRENT

Prepayments

230,348	56,030
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7 Property, plant and equipment

PLANT AND EQUIPMENT

2017	2016
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\$	\$
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Plant and equipment

At cost

133,223	133,223
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Accumulated depreciation

(78,198)	(63,875)
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55,025	69,348
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Motor vehicles

At cost

723,503	813,490
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Accumulated depreciation

(417,333)	(500,120)
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306,170	313,370
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Office equipment

At cost

171,781	169,202
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Accumulated depreciation

(157,685)	(153,119)
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14,096	16,083
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Computer equipment

At cost

220,709	214,240
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Accumulated depreciation

(179,816)	(163,241)
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40,893	50,999
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Improvements

At cost

343,947	343,947
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Accumulated depreciation

(343,947)	(309,552)
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-	34,395
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416,184	484,195
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Notes to the Financial Statements
For the Year Ended 30 June 2017

7 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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 \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Improvements \$	Total \$
Year ended 30 June 2017						
Balance at the beginning of the year	69,348	313,370	16,083	50,999	34,395	484,195
Additions	-	123,165	2,579	6,469	-	132,213
Disposals - written down value	-	(4,772)	-	-	-	(4,772)
Depreciation expense	(14,323)	(125,593)	(4,566)	(16,575)	(34,395)	(195,452)
Balance at the end of the year	55,025	306,170	14,096	40,893	-	416,184

Connectability Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Trade and other payables	2017	2016
	\$	\$
CURRENT		
Trade payables	182,506	149,426
GST payable / (receivable)	(21,424)	15,266
Employee benefits	180,700	48,571
Accrued expenses	51,970	45,187
Other payables	58,153	79,741
	<u>451,905</u>	<u>338,191</u>
9 Borrowings		
CURRENT		
Secured liabilities:		
Lease liability secured	19,468	7,998
	<u>19,468</u>	<u>7,998</u>
NON-CURRENT		
Secured liabilities:		
Lease liability secured	82,581	-
	<u>82,581</u>	<u>-</u>
10 Employee Benefits		
CURRENT		
Long service leave	216,068	194,209
Annual leave	226,820	233,937
	<u>442,888</u>	<u>428,146</u>
NON-CURRENT		
Long service leave	64,540	57,766
	<u>64,540</u>	<u>57,766</u>
11 Other liabilities		
CURRENT		
Amounts received in advance	7,040	-
	<u>7,040</u>	<u>-</u>

Connectability Australia Incorporated

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**Notes to the Financial Statements
For the Year Ended 30 June 2017**

12 Retrospective restatement

(a) Subsequent to the release of the 30 June 2016 financial report, the committee members identified that the Leasehold Improvements were being amortised at a conservative rate and the lease for the premises located at Units 3 and 4, 46 Hudson Street, Hamilton was to expire during the financial year. As a result, the amortisation expense in the 2016 year was understated by \$25,166 and in the previous eight years totalling \$210,805. Amortisation has been adjusted accordingly and calculated using the lesser of the lease term (i.e. 10 years) as its lesser than the useful life of the asset.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2016 is as follows:

	Previously stated	30 June 2016 Adjustments	Restated
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Depreciation/Amortisation expense	(194,008)	(25,166)	(219,174)
Surplus before income tax	28,749	(25,166)	3,583
Total comprehensive income for the year	28,749	(25,166)	3,583
Statement of Financial Position			
Property, plant and equipment	720,166	(235,971)	484,195
Total Assets	2,211,936	(235,971)	1,975,965
Net Assets	1,379,835	(235,971)	1,143,864
Total Equity	1,379,835	(235,971)	1,143,864
Statement of Changes in Equity			
Balance at 1 July 2015	1,351,086	(210,805)	1,140,281
2016 - Profit attributable to members of the entity	28,749	(25,166)	3,583
Balance at 30 June 2016	1,379,835	(235,971)	1,143,864

13 Remuneration of Auditors

Remuneration of the auditor, KLM Accountants, for:
- auditing the financial statements

8,800 8,500

14 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

Connectability Australia Incorporated

ABN: 93 056 378 299

Notes to the Financial Statements For the Year Ended 30 June 2017

15 Related Parties

(a) Key management personnel

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 are considered key management personnel.

The totals of remuneration paid to the key management personnel of Connectability Australia Incorporated during the year were \$211,751 (2016: \$211,223).

16 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Surplus for the year	(260,545)	3,583
Non-cash flows in surplus:		
- depreciation	195,452	219,174
- net (profit) / loss on disposal of property, plant and equipment	(30,228)	(55,230)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(104,968)	(225,752)
- (increase)/decrease in other assets	(174,318)	43,149
- increase/(decrease) in trade and other payables	113,714	(426,531)
- increase/(decrease) in other current liabilities	21,516	(5,691)
- increase/(decrease) in employee benefits	7,040	(1,765)
Cashflow from operations	(232,337)	(449,063)

17 Economic Dependency

A large proportion of income is received by way of case-based grant funding from the Department of Social Services, NSW Department of Family and Community Services, Ageing Disability and Home Care, and the National Disability Insurance Agency which are administered by the Commonwealth and New South Wales State Governments.

Connectability Australia Incorporated

ABN: 93 056 378 299

Notes to the Financial Statements

For the Year Ended 30 June 2017

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 11 October 2017 by the Committee of Management.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

19 Association Details

The registered office of the association is:
Connectability Australia Incorporated
Units 3 & 4, 46 Hudson Street
HAMILTON NSW 2303

Connectability Australia Incorporated

ABN: 93 056 378 299

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2:

1. Presents fairly the financial position of Connectability Australia Incorporated as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Connectability Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chairperson.....
Nathan Franks

Treasurer.....
Scott Brooks

Dated 11 October 2017



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Address 313 Charlestown Rd
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Charlestown NSW 2290

Connectability Australia Incorporated

ABN: 93 056 378 299

Independent Audit Report to the members of

Connectability Australia Incorporated

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Connectability Australia Incorporated, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other 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 statement by members of the committee.

Officers' Responsibility for the Financial Report

The officers of Connectability Australia Incorporated are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note , is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010 and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a 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 about 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 and fair presentation of the financial report 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 management, as well as evaluating the overall presentation of the financial report.

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



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Connectability Australia Incorporated

ABN: 93 056 378 299

Independent Audit Report to the members of

Connectability Australia Incorporated

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Connectability Australia Incorporated as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010.

KLM Accountants

Neil Watson
Partner

Charlestown, NSW

11 October 2017