



LifeTec Australia Limited

2017 ANNUAL REPORT



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Acknowledgement of funding



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SECTION 1

ABOUT LIFETEC AUSTRALIA LIMITED

About LifeTec

LifeTec is a social enterprise that provides dedicated assistive technology (AT) services. Our aim is to enable people of all ages and abilities to actively engage in home, work, school and community life. Established in 1981, LifeTec has a team of health professionals including occupational therapists, speech pathologists and physiotherapists who have a passion for AT.

Assistive Technology (AT) is any product, device or system that provides people with practical solutions to everyday life activities. Assistive technology helps millions of people learn, work, socialise, achieve independence, or simply get more out of their lives.

With Consumer Directed Care (CDC) such as NDIS and My Aged Care now available, people will be able to choose where and how they want to invest their funding support. This includes funding for AT. This type of person-centred care is designed to encourage people to make their own choices about the support they need to live their potential. LifeTec shares the same goals.

With LifeTec locations in Brisbane and Townsville and LifeTec Access Points in regional areas across Australia, it is now easier for consumers to access AT services.

LifeTec's strategic purpose is ***to connect people and communities through AT to enable their aspirations.***

The things we value determines LifeTec's work and how we do that work. Our shared values strongly influence how well we deliver the LifeTec purpose. Everyone working in and for LifeTec is expected to demonstrate these values in their work.



LifeTec values are:

- *Caring for People and Community* is core to our purpose and provides us with our reason and motivation to work together in LifeTec.
- *Integrity, Respect and Dignity* in everything we say and do. Treating everyone as they would like to be treated while being transparent and accountable will enable clients and stakeholders to value and trust us.
- *Alignment with our Strategic Purpose* as individuals and as an organisation enables us to create the best possible outcomes for our clients and stakeholders.
- *Being Alert, Nimble and resilient* in everything we do ensures success, enhances our value and makes us more resilient in times of change.
- *Collaboration within LifeTec* and with external stakeholders ensures that we can leverage the unique contributions of all.
- *Social Entrepreneurship* will ensure we practice a blend of sound business principles and commercialism with social cause and compassion.
- *Contemporary Innovation* and Leadership ensure that LifeTec continually improves its value proposition to clients through new thinking and practice in assistive technology services.

LifeTec's strategic purpose will be achieved through the following business strategies:

1. LifeTec will set the benchmark for innovation, quality, effectiveness and efficiency in a range of client driven assistive technology services.

The aim of this strategic focus is to deliver high value to people, communities and stakeholders while strengthening LifeTec's capability and reputation.

2. LifeTec will influence Government policy and industry practice to maximise the value of assistive technology to people, communities and stakeholders.

The aim of this strategic focus is to leverage LifeTec's capability and reputation to create much larger and more enduring benefits to people and communities than LifeTec could possibly achieve on its own.

3. LifeTec will optimise reach and accessibility of its services to clients, communities and stakeholders.

The aim of this strategic focus is to maximise peoples' accessibility to our services regardless of their location or circumstances.



OUR PEOPLE

Directors as at 30th June 2017

Name	Position
David Edwards	Chairman
Greg Moroney	Deputy Chairman
James Reynolds	Treasurer
Renita Garard	Director
Richard Barber	Director
Elizabeth Hughes	Director
Noni Malone	Director
Jan - Maree McGregor	Director

Employees as at 30th June 2017

Name	Position
Alana Rasmussen	Occupational Therapist
Alicia Parry	Occupational Therapist
Barb McCulloch	Client Services Officer
Chris Sweeney	Service Coordinator, Senior Occupational Therapist
David Swift	Consumer Advisor
Desleigh De Jonge	Consumer and Sector Engagement Officer
Emily Schull	Occupational Therapist
Eva Sykes	Occupational Therapist
Genine Camilli	Client Services Officer
Geoffrey Flemming	Maintenance Officer
Helen Bates-Wilson	Service Coordinator, Occupational Therapist
Ian Rankin	Business Manager
James Barrientos	Chief Executive Officer
Jamie Matveyeff	Homes for Life Service Coordinator, Senior Occupational Therapist
Janice Beamish	Client Services Officer
Jayden Moore	Client Services Officer
Jean Luik	Client Services Officer
Jennifer Poppe	Occupational Therapist
Jenny Velkovic	Senior Finance Officer



Jessica Moll	Speech Pathologist
Judy Jacobsen	Client Services Officer
Karin Schuhmann	Services Manager
Kati Bulgarelli	Service Coordinator, Senior Occupational Therapist
Katie-Anne Grice	Senior Occupational Therapist
Leanne Rasmussen	Client Services Officer
Lindsay Nott	Client Services Officer
Matthew Goynes	Occupational Therapist
Peta Booth	Speech Pathologist
Rion Gomura	Occupational Therapist
Sally Redman	Occupational Therapist
Scott Green	Access Point Development Coordinator
Sebastian Caon	Speech Pathologist
Siddhi Rawat	Occupational Therapist
Stephen Pether	Development Manager
Susan Lovell	Physiotherapist
Tony Baird	Business Development Coordinator
Wol Thiik	Marketing Coordinator
Zoe du Cann	Education Coordinator





2017 Chairman / CEO Annual Report

The last twelve months has seen the Board and Management focus on consolidating LifeTec's operations and progressing our growth strategy. We are pleased to highlight some of our accomplishments in progressing both of these important initiatives in this report.

As a social enterprise LifeTec is committed to improving the lives of people whilst remaining viable and profitable in a consumer directed market. To achieve our service and business goals we embarked on an ambitious transformation process to evolve the LifeTec model a few years ago. Although this change process is ongoing, we have not lost sight of some of some of the main reasons we are doing this. Our aim is to ensure we meet the changing expectations of people, establish LifeTec as an assistive technology (AT) centre of excellence, and to remain viable. Our growth strategy will support this by increasing the reach and accessibility of LifeTec's new model and services, whilst ensuring we have the ability to continue to reinvest in the organisation.

Evolving LifeTec Model

LifeTec commenced preparations for a consumer directed landscape many years ago. We have implemented several initiatives to meet, and exceed, emerging consumer and sector expectations. We have developed a client outcomes framework to measure the impact of our services, undertaken ample consumer and sector engagement activities, developed an evidence informed consumer pathway, increased the mobilisation of our workforce, and digitised some of our services. Although these initiatives have contributed greatly to our services and client outcomes, the rollout of the NDIS has presented some unforeseeable challenges for many service providers, including LifeTec. On a positive note, these challenges have helped LifeTec to shape our model and services accordingly as we continue to learn from these experiences.

An important component of LifeTec's work in 2017 included our consumer and sector engagement activities. We believe this work is critical to understand peoples' expectations and to assist LifeTec in delivering what people want, need and value. Our consumer and sector engagement work included establishing a consumer reference group and hosting several forums throughout Queensland. The resultant knowledge formed the foundation for the creation and design of LifeTec's highly successful evidence informed consumer pathway: Imagine, Seek, Choose and Live. This pathway is now widely used as part of LifeTec's services and is also part of a Smart Assistive Technology research and honours projects at the University of Queensland.

An emerging trend we have identified as people exercise more control in the purchase of specialist services, is that they prefer to engage services at a place and time of their convenience rather than specialist offices/centres. This trend has resulted in an increase in the number of consultations we provide at peoples' place of residence, and a decline in visitor numbers to LifeTec display centres. This continued pattern has seen management implement several strategies to increase the mobility and responsiveness of our services to ensure our value proposition to clients. Some of these include increasing LifeTec's outreach coverage throughout Queensland through our Access Point locations, digitising



services to complement outreach delivery via audio-visual channels, and reducing display areas at LifeTec display centres in Brisbane and Townsville to increase staffing areas to accommodate LifeTec's growing team.

The ability to combine genuine client focus with an innovative and progressive approach is a key strength of the LifeTec team. As a result, we continuously explore and implement innovative ways to improve our service and business functions. The progression of LifeTec's digital strategy is testament to our pursuit of innovative practice. This strategy includes LifeTec's transition to the Cloud meaning our staff can now operate on mobile computing platforms allowing our team to deliver services wherever there is appropriate connectivity. This has significantly improved the responsiveness and effectiveness of our services.

Another important component of LifeTec's digital strategy is the continued development of our AT portal. This portal will deliver LifeTec's suite of AT services and business functions such as marketing and online bookings and payments. It will also include LifeTec's evidence informed consumer pathway of Imagine, Seek, Choose and Live. This means the portal will enable LifeTec to continue providing introductory information advisory services (level 1 and 2 AT) to people, as well as deliver complex AT services (Level 3 and 4 AT) to the growing consumer directed market. As the portal evolves we also plan to use interactive apps, user chatrooms/blogs, and virtual technologies, as well as providing an opportunity to work closer with AT suppliers for trailing, choosing and potentially purchasing AT separately from LifeTec.

LifeTec Growth Strategy

LifeTec's strategic purpose is *To Connect People and Communities through Assistive Technology to Enable Their Aspirations*. As a social enterprise LifeTec is committed to growing its suite of services to increase the reach and accessibility of our strategic purpose, ensure our viability, and mitigate competitor forces. To achieve this growth the Board and Management developed LifeTec's Growth Strategy in June 2017. This important strategy recommends different approaches to optimise our strategic purpose. Two key areas include growing LifeTec services both physically and digitally.

The rollout of LifeTec Access Points is an important component of our growth strategy to increase the physical reach and uptake of LifeTec services in regional areas. This revolves around establishing alliances with local service providers where LifeTec AT services are embedded into the existing provider's suite of services. The aim is to improve the completeness and continuity of regional service providers, build local capacity and capability, and improve convenience to consumers.

The success of LifeTec's Access Point strategy has seen the number of service locations grow significantly over the last year. In addition to LifeTec's Brisbane and Townsville centres, our Access Point locations now include Ballina, Toowoomba, Ipswich, Hervey Bay, Bundaberg, Rockhampton, Mackay and Mt Isa. Our goal for the next year is to consolidate our Queensland Access Points, followed by the development of a plan to extend the location of Access Points to other states and territories.

As mentioned earlier in this report, LifeTec's digital AT portal is already being utilised to grow our services. In addition to this, we are exploring different options to give our digital AT portal national scale. One exciting prospect is the opportunity to collaborate with a



major national organisation which would give our AT portal national exposure, and in the process, facilitate accessibility to LifeTec services for people from all over Australia.

Of course, all this great work does not happen without great people. We take this opportunity to thank the LifeTec Board for their outstanding commitment, contribution and wisdom in ensuring LifeTec's continued success. It has been a pleasure to work alongside our Deputy Chairman, Greg Moroney, and fellow Board Directors James Reynolds, Renita Garard, Richard Barber, Elizabeth Hughes, Jan-Maree McGregor and Noni Malone. We also acknowledge the outstanding work undertaken by the entire LifeTec team led by James Barrientos, Ian Rankin, Karin Schuhmann and Stephen Pether. As always our team's dedication to quality outcomes for our clients, and the relentless pursuit of organisational improvement, continues to impress.

We also extend our sincere appreciation to our Government partners and funding bodies. The continued support of the Department of Communities, Child Safety, and Disability Services, and the Department of Social Services is an essential component for the continuation of LifeTec's important work and is greatly appreciated.

We look towards LifeTec's continued success with anticipation.

David Edwards
Chairman
LifeTec Australia



James Barrientos
Chief Executive Officer
LifeTec Australia





SECTION 3

OUR FINANCES

FINANCIAL STATEMENTS

LIFETEC AUSTRALIA LIMITED
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
INCOME			
Recurrent Funding		3,065,162	3,008,648
LifeTec Generated Funds		<u>2,701,842</u>	<u>3,867,697</u>
Total Income	1.a	5,767,004	6,876,345
EXPENSES			
Administration & Marketing		422,404	373,437
Depreciation & Minor Capital	1.b	155,363	144,989
Overheads & Program Services		929,886	875,041
Program Services		1,210,236	2,534,634
Staffing Costs		<u>3,022,333</u>	<u>2,913,039</u>
Total Expenses		<u>5,740,222</u>	<u>6,841,140</u>
SURPLUS (DEFICIT) FOR YEAR		<u>26,782</u>	<u>35,205</u>



LIFETEC AUSTRALIA LIMITED
BALANCE SHEET AS AT 30 JUNE 2017

	NOTE	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash, Deposits and Floats		408,062	458,386
Accounts Receivable	1.c	60,193	193,625
Other Debtors & Prepayments		<u>166,756</u>	<u>132,583</u>
Total Current Assets		635,011	784,594
FIXED ASSETS			
Plant and Equipment and Vehicles (after Depreciation)	2	<u>1,340,587</u>	<u>1,255,861</u>
Total Fixed Assets		<u>1,340,587</u>	<u>1,255,861</u>
Total Assets		1,975,598	2,040,455
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	1.c	84,506	136,725
Employee & Payroll Liabilities	1.d	69,995	80,645
GST		132,403	(3,438)
Grants Unexpended	3	50,940	2,200
Provision for Annual Leave	1.d	<u>173,054</u>	<u>152,469</u>
Total Current Liabilities		510,898	368,601
NON-CURRENT LIABILITIES			
Provision for Long Service Leave	1.d	<u>131,576</u>	<u>158,512</u>
Total Non-Current Liabilities		<u>131,576</u>	<u>158,512</u>
Total Liabilities		642,474	527,113
NET ASSETS		<u>1,333,124</u>	<u>1,513,342</u>

**EQUITY**

Balance as at 1 July		1,206,342	1,171,137
Net Income		26,782	35,205
Surplus Retained	5	<u>100,000</u>	<u>307,000</u>
Balance as at 30 June 2017		<u>1,333,124</u>	<u>1,513,342</u>

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

Balance 1 July 2015	1,518,137
Surplus for	
Year	35,205
Surplus transfer for Lifetec	
Projects	<u>(40,000)</u>
Balance 30 June 2016	1,513,342
Surplus for	
Year	26,782
Surplus Transfer for Lifetec	
Projects	<u>(207,000)</u>
Balance 30 June 2017	1,333,124



LIFETEC AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
Cash Flows From Operating Activities			
Receipts – Recurrent Funding		3,113,902	2,451,094
Other Income		2,628,274	3,723,329
Payments to suppliers, employees and others		<u>(5,580,022)</u>	<u>(6,792,861)</u>
		<u>162,154</u>	<u>(618,438)</u>
Interest Received		10,425	31,758
Interest Paid		<u>-</u>	<u>-</u>
Net cash inflow/(outflow) from operating activities	8	172,579	(586,680)
Cash Flows From Investing Activities			
Payments for purchase of property and equipment		<u>(222,903)</u>	<u>(188,586)</u>
Net cash inflow/(outflow) from investing activities		(222,903)	(775,266)
Cash Flow From Financial Activities		<u>-</u>	<u>-</u>
Net cash inflow/(outflow) from financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash held		(50,324)	(775,266)
Cash at the beginning of the financial year		<u>458,386</u>	<u>1,233,652</u>
Cash at the end of the financial year		<u>408,062</u>	<u>458,386</u>



LIFETEC AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of 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.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(a)

Revenue and Other Income

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

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

Interest revenue is recognised as received.

Donations and bequests are recognised as revenue when received.

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

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

(b)

Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.



The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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

Depreciation

All non-current assets are depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use.

The assets' residual values and lives are reviewed and adjusted if appropriate at each balance sheet date.

(c) ***Receivables and Payables***

The company recognises all receivables and payables with an invoice date on or before 30 June, at their GST inclusive value.

(d) ***Employee Entitlements***

Provision is made in respect of the company's liability for Long Service Leave and Annual Leave at balance date.

No provision is made for unpaid wages or sick leave accrued at balance date.

The provision for long service leave has been made for all employees after 7 years of service.

The long service leave and annual leave provisions are based on salary including salary sacrifice components, but not including superannuation.

(e) ***Income Tax***

The company is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act.

(f) ***Impairment of Assets***

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been 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 in the income and expenditure statement.

(g) ***Comparative Figures***

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

**(h) Critical Accounting Estimates and Judgements**

The directors evaluate 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 Estimates*Impairment*

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(i) Economic Dependence

Lifetec Australia Limited is dependent on the State and Federal Governments 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 this funding will not continue.

(j) New Accounting Standards for Application in Future Periods.

The company has not early adopted any future accounting standards.

Note 2:	Plant and Equipment and Vehicles	2017	2016
		\$	\$
	Equipment - at cost	1,764,753	1,541,851
	Less Accumulated Depreciation	<u>424,166</u>	<u>285,990</u>
		<u>1,340,587</u>	<u>1,255,861</u>

Equipment is depreciated on a Diminishing Value Basis at rates of 10-15% per annum.

Note 3: External Grants and Project Funds***Unexpended Funds***

Unexpended Funds at 30 June relate to the programs which are still operating at year end and where the company will either incur further expenses to complete the program or alternatively will refund the unexpended funds to the respective government departments.

Note 4: Lease Commitments

The company is currently renegotiating a new lease and is paying on a month to month basis. A guarantee on the lease is secured by a Bank Term Deposit.

Lease commitments of the company are as follows:-

Property

Payable within 1 year	\$316,848
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Payable after 1 year	\$316,848
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Equipment and Vehicles

Payable within 1 year	\$55,272
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Payable after 1 year	\$55,272
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The company is also committed to a 10 year commercial lease on its premises in Townsville and is in its seventh year of such lease. A guarantee on the lease is secured by a Bank Term Deposit.

Lease commitments of the company are as follows:-

Property

Payable within 1 year	\$174,451
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Payable after 1 year	\$174,451
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Equipment and Vehicles

Payable within 1 year	\$55,272
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Payable after 1 year	\$55,272
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Lease payments have been charged as expenses in the periods in which they have been incurred.

Note 5: Surplus Funds Retained

Surplus funds separately retained in equity at 30 June 2017 including allocations from previous years totals \$100,000.

These funds are to cover the following:

- Future projects and growth of LifeTec business.
- Contingency in case of loss of recurrent funding.

Note 6: Contingent Liabilities

There are no contingent liabilities at the 30 June 2017.

Note 7: Events After the Balance Sheet Date

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

**Note 8: Reconciliation of Excess of Income over Expenditure to Net Cash Inflow from Operating Activities**

	2017 \$	2016 \$
Excess of income over expenditure	26,782	35,205
Depreciation and amortisation	138,176	131,466
Transfer - Project Funds	(207,000)	-
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	99,259	(182,582)
Increase/(decrease) in payables	(52,219)	122,730
Increase/(decrease) in other operating liabilities	173,931	(628,105)
Increase/(decrease in other provisions	(6,350)	(65,394)
Net cash inflow from operating activities	<u>172,579</u>	<u>(586,680)</u>

Note 9: Company Details

The registered office of the company is:

Lifetec Australia Limited
Level 1, Reading Centre
Cnr Newmarket & Enoggera Roads
Newmarket QLD 4051

Note 10: 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 \$5 towards the outstanding obligation of the entity.



AUDITOR'S REPORTS

LIFETEC AUSTRALIA LIMITED

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lifetec Australia Limited, which comprises the balance sheet as at 30 June 2017, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Lifetec Australia Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the Charities and Not-for-profit Regulations 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-profit Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

***Responsibilities of the Directors for the Financial Report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters 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.

As part of an audit in accordance with 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Norman J Hoare
Registered Company Auditor

MORRIS & BATZLOFF
Chartered Accountants
141 Logan Road, Woolloongabba
Dated: 31 January 2018

**LIFETEC AUSTRALIA LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40(1)(a) OF THE AUSTRALIAN CHARITIES AND
NOT-FOR-PROFIT COMMISSION REGULATION 2013
TO THE DIRECTORS OF LIFETEC 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 any applicable code of professional conduct in relation to the audit.

Norman J Hoare
Registered Company Auditor

MORRIS & BATZLOFF
141 Logan Road, Woolloongabba
Dated: 31 January 2018



LifeTecTM
Live your Potential



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