



HIGHLANDS LLEN INC

ABN 46 429 658 543

Financial Statements

For the year ended 31 December 2019

HIGHLANDS LLEN INC.
ABN 46 429 658 543

Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue			
Recurrent Grants		448,882	440,081
Grants – Projects		388,929	78,304
Conference Sponsorship		-	41,364
Conference Management Fee		-	2,965
Conference Ticket sales		-	19,003
Flexible Learning Forum		-	2,233
Sponsorship		2,682	-
On Track Connect		4,795	4,795
Doing Schools Differently		-	6,800
		<u>845,288</u>	<u>595,545</u>
Other income			
Administration Fees		55,489	38,672
Advertising – School Leavers Manual		1,920	1,600
Bank Interest		8,581	4,662
Miscellaneous Income		-	197
		<u>65,990</u>	<u>45,131</u>
		<u>911,278</u>	<u>640,676</u>
Expenditure			
Advertising		7,552	7,995
Annual Leave Expense	2A	5,864	3,929
Audit and Accounting Fees		16,800	16,800
Bank Fees & Charges		174	680
Business Phone		4,052	3,004
Catering and Room Hire		8,941	36,698
Consultancy Fees		70,959	3,800
Conference Management Fee		-	2,965
Depreciation	2B	6,767	2,974
Equipment		259	331
Fringe Benefits Tax		9,939	8,432
Fuel & maintenance		10,292	8,936

The accompanying notes form part of these financial statements

HIGHLANDS LLEN INC.
ABN 46 429 658 543

Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Insurance		1,786	3,537
Internet		1,309	1,309
IT & Computer Expenses		2,619	1,912
Jobs and Skills Drive		-	-
Lease – Motor Vehicles		31,760	22,711
Long Service Leave Expense	2A	6,597	3,452
Meeting Expenses		-	20,268
Miscellaneous		1,920	-
Mobile Phone		6,035	2,927
Management and Admin Fees		49,489	32,672
Photocopier		1,833	1,620
Postage & Delivery		209	737
Printing		3,394	1,868
Program Expenses – YAB		24,436	3,098
Publications		7,564	3,705
Registrations/Memberships		4,758	4,758
Rent		20,228	21,692
Signage & Banner			
Sponsorship		727	4,477
Staff Amenities		1,411	1,407
Stationery and Office Supplies		5,505	6,422
Superannuation	2A	42,143	28,878
Temporary/Contract Staff		734	35,122
Training/Seminars Transitions & Pathways		9,430	13,475
Travel & Accommodation		6,749	4,848
Wages & Salaries	2A	437,109	271,414
WorkCover		4,404	1,148
		822,473	590,001
Surplus / (Deficit) before income tax		88,805	50,675
Income tax expense			
Net Surplus / (Deficit) for the year		88,805	50,675
Other comprehensive income, net of tax		-	-
Total Comprehensive income / (loss) for the year		88,805	(6,135)

HIGHLANDS LLEN INC.
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Balance Sheet

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3A	860,471	637,530
Trade and other receivables		52,343	142,412
TOTAL CURRENT ASSETS		<u>912,814</u>	<u>779,942</u>
NON-CURRENT ASSETS			
Property, Plant & equipment	4	18,184	9,486
TOTAL NON-CURRENT ASSETS		<u>18,184</u>	<u>9,486</u>
TOTAL ASSETS		<u>930,998</u>	<u>789,428</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	5A	533,761	479,525
Other Payables	5B	145,770	162,211
Provisions	6	21,223	12,850
TOTAL CURRENT LIABILITIES		<u>700,754</u>	<u>654,586</u>
NON-CURRENT LIABILITIES			
Provisions	6	17,280	10,683
TOTAL NON-CURRENT LIABILITIES		<u>17,280</u>	<u>10,683</u>
TOTAL LIABILITIES		<u>718,034</u>	<u>665,269</u>
NET ASSETS		212,964	124,159
Equity			
Retained Surpluses		212,964	124,159
TOTAL EQUITY		<u>212,964</u>	<u>124,159</u>

HIGHLANDS LLEN INC.
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Statement of Changes in Equity
For the Year Ended 31 December 2019

	Retained Surpluses \$	Total \$
2019		
Balance at 1 January 2019	124,159	124,159
Net surplus for the year	88,805	88,805
Balance at 31 December 2019	212,964	212,964
2018		
Balance at 1 January 2018	73,484	73,484
Net surplus for the year	50,675	50,675
Balance at 31 December 2018	124,159	124,159
2017		
Balance at 1 January 2017	79,619	79,619
Net deficit for the year	(6,135)	(6,135)
Balance at 31 December 2017	73,484	73,484

HIGHLANDS LLEN INC.
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Statement of Cash Flows
For the Year ended 31 December 2019

	2019 \$	2018 \$
CASH FROM OPERATING ACTIVITIES:		
Receipts from customers including grants	1,181,966	1,035,075
Payments to suppliers and employees	(951,603)	(671,158)
Interest received	8,581	4,662
Net cash provided by operating activities	<u>238,944</u>	<u>368,579</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(16,003)</u>	(4,301)
Net cash provided by investing activities	<u>(16,003)</u>	<u>(4,301)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Net (decrease) / increase in cash and cash equivalents held	<u>222,941</u>	<u>364,278</u>
Cash and cash equivalents at beginning of year	<u>637,530</u>	<u>273,252</u>
Cash and cash equivalents at end of year	<u>860,471</u>	<u>637,530</u>

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted applicable new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

a. Basis of preparation

These 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), the *Associations Incorporation Reform Act (Victoria) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). The committee has determined that the Association is a reporting entity. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1q.

b. Income tax

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

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

d. Cash and Cash equivalents

Cash and cash equivalents include cash on hand and any deposits held at call with a bank / financial institution.

Cash and cash equivalent is recognised at its nominal amount. Interest is credited to revenue as it accrues.

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019

e. Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the assets are 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 asset are:

Class of Fixed Asset	Depreciation Rate
Furniture and fixtures	25%
Computer equipment	25%

f. Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

g. Provisions

Provisions are recognized when the Association 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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

h. Leases

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.

**Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019**

i. Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The revenues described in this note are revenues relating to the core operating activities of the Association.

Grant revenue is recognised when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

Revenue from the rendering of a service is recognised by references to the stage of completion of the contract to provide the service. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date.

Provision is made when collectability of the debt is judged to be less rather than more likely.

j. Grants

Most grant agreements require the grantee to perform services, provide facilities or meet eligibility criteria. In these cases, the Association recognises grant revenues only to the degree that the services required have been performed or the eligibility criteria have been satisfied by the grantee.

In cases where grant agreements exist with conditions to be met and such conditions have not been discharged at balance date, liabilities are recognised on signing the agreement.

k. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are included in the statement of cash flows 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 part of operating cash flows.

l. Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amount of costs incurred in that period.

m. Other Financial Liabilities

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled within 12 months from the reporting period. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

n. Trade and Other Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

o. Economic Dependency

A significant portion of Highlands LLEN Inc. revenue is derived from Federal and State government grants.

Highlands LLEN Inc. is dependent on continued revenue support from these sources for its continued ability to carry on normal activities in its current structure.

**Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019**

p. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1f, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

q. Comparative figures

Certain comparative figures have been reclassified to conform to the current financial year's presentation.

r. New Accounting Standard: AASB 16

Highlands LLEN has a lease arrangement in regards its administration offices in Lydiard Street South, Ballarat. This lease arrangement falls within the requirements of AASB 16: Leases which came into effect on 1st January, 2019. AASB 16 results in most leases being recognised on the balance sheet by lessees, as the Standard no longer differentiates between operating and financial leases. An asset (commensurate to the market value of the Lease arrangement based on market rates and terms) and a financial liability are recognised in accordance with this new Standard. However, the Standard has not been adopted by Highlands LLEN in the year ended and as at 31 December, 2019 as there is a reporting exemption for Not for Profit entities to adopt and report in accordance AASB 16.

**Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019**

NOTE 2: OPERATING EXPENSES

Note 2A: Employee Expenses

Wages and Salaries	445,177	271,414
Superannuation	42,143	28,878
Annual Leave Expense (Reversal)	5,864	3,929
Long Service Leave Expense	6,597	3,452
Total Employee Expenses	499,781	307,673

Note 2B: Depreciation

Depreciation of Property, Plant & Equipment	5,879	2,974
Total Depreciation	5,879	2,974

NOTE 3: FINANCIAL ASSETS

Note 3A: Cash and Cash Equivalents

Cash on hand	630	630
Cash at bank	450,260	406,351
Term deposit	409,581	230,549
Total Cash and Cash Equivalents	860,471	637,530

Note 3B: Trade and Other Receivables

Trade Debtors	52,343	141,579
Other Debtors	-	833
Total Receivable	52,343	142,412

NOTE 4: PROPERTY, PLANT & EQUIPMENT

Fixtures & Fittings - at cost	24,167	20,549
Less accumulated depreciation	(19,384)	(16,505)
Total Fixtures & Fittings	4,783	4,044

Computer Equipment - at cost	50,420	38,035
Less accumulated depreciation	(37,019)	(32,593)
Total Computer equipment	13,401	5,442
Total Property, Plant & Equipment	18,184	9,486

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**Notes to and Forming Part of the Financial Statements
 For the Year Ended 31 December 2019**

	Note	2019 \$	2018 \$
NOTE 5: PAYABLES			
Note 5A: Payables			
Trade creditors and other creditors		7,191	8,330
Grants received in advance		526,570	471,195
Total Payables		533,761	479,525
Note 5B: Other Payables			
Credit cards		1,165	512
Superannuation payable		16,155	11,805
PAYG payable		13,042	6,712
FBT provisional payments		(4,968)	(4,688)
Net GST payable to the ATO		33,451	41,529
VET liability account	9	40,341	39,002
CHYAP Funds Held		-	5,560
HDR Project – Funds Held		44,000	60,000
RYAN liability account	9	2,584	1,779
Total Other payables		145,770	162,211
NOTE 6: PROVISIONS			
Current:			
Annual Leave		21,223	12,850
Total Provisions		21,223	12,850
Non-current:			
Long Service Leave		17,280	10,683
Total Provisions		17,280	10,683

NOTE 7: CONTINGENT LIABILITIES

The incorporated association had no contingent liabilities as at 31 December 2019 and 2018.

**Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019**

NOTE 8: RELATED PARTY TRANSACTION

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 9: VET AND RYAN OPERATIONS

The VET (Vocational Education and Training) operations and RYAN (Regional Youth Affairs Network) operations are separate from that of the Association and therefore are separately accounted for in a liability account in the records of the Association. The value of the liability accounts reflects the retained surpluses of the VET operations and RYAN operations being carried by the Association. A summary of the results of the operations are summarised below.

RYAN operations

Retained surpluses brought forward	1,779	1,779
Net deficit	805	-
Retained surpluses carried forward	2,584	1,779

VET operations

Income

VET fees	98,610	85,837
Investment income	488	528
Miscellaneous Income	-	-
Total Income	99,098	86,365

Expenses

Administration Fee	6,000	6,000
Admin Support	18,374	4,963
Salaries and wages	49,925	66,554
AL/LSL provision	2,509	(62)
Superannuation	4,599	6,138
Workcover	800	279
Depreciation	538	-
Communication costs	2,586	1,848
Consumables and admin costs	5,341	2,531
Project expense	730	710
Promo expenses & functions	3,470	1,151
Staff development	1,687	168
Other expenses	1,200	30
Total Expenses	97,759	90,310

Net surplus (deficit)

	1,339	(3,945)
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Retained surpluses brought forward	39,002	42,947
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Retained surpluses carried forward	40,341	39,002
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**Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2019**

NOTE 10: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

**ANNUAL STATEMENT TO GIVE FAIR AND TRUE VIEW OF FINANCIAL
POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION**

These financial statements are special purpose financial statements that have been prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act (Victoria) 2012* and the ACNC Act.

In accordance with a resolution of the committee of Highlands LLEN Inc., the members of the committee declare that the financial statements as set out:

- 1 comply with the Australian Accounting Standards – *Reduced Disclosure Requirements*;
- 2 present a true and fair view of the financial position of Highlands LLEN Inc. as at 31 December 2019 and its performance for the year ended on that date; and
- 3 at the date of this statement, there are reasonable grounds to believe that Highlands LLEN Inc. will be able to pay its debts as and when they fall due.



Cr Belinda Coates

Committee Member: _____



Cr David Clark

Committee Member: _____

Dated this 2nd day of April , 2020

Auditor Independence Declaration Under Division 60 of the *Australian Charities and Not-For-Profits Commission Act 2012* to the Members of Highlands Local Learning & Employment Network Inc.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of:

- (a) the auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Florence Audit & Assurance



Rob Florence
Principal

Ballarat Victoria

Dated this 2nd day of April, 2020

Independent Auditor's Report to the Members of Highlands Local Learning & Employment Network Inc.

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Highlands Local Learning & Employment Network Inc., which comprises the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and Statement by Members of the Committee of Management for the financial year ended 31st December, 2019.

In my opinion, the financial report of the Highlands Local Learning & Employment Network Inc gives a true and fair view of the financial position of the Highlands Local Learning & Employment Network Inc as at 31st December, 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the entity in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee's financial reporting responsibilities under the *Associations Incorporation Reform Act 2012 (Vic)*. As a result, the financial report may not be suitable for another purpose.

Responsibility of the Committee of Management for the Financial Report

The Committee of Management responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and for such internal control as the Committee members 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. In preparing the financial report, the directors are responsible for assessing the Network's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee members either intend to liquidate the Network or to cease operations, or have no realistic alternative but to do so.

The Committee of Management is responsible for overseeing the Network's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audits 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 [my] 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the entities' 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Rob Florence, FCPA
Florence Audit & Assurance

513 Grant Street
BALLARAT VIC 3350

Dated this 2nd day of April, 2020