

Rhythm Biosciences Limited

ACN 619 459 335

Special Purpose Financial Report - 30 June 2017

Rhythm Biosciences Limited

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30 June 2017

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Rhythm Biosciences Limited
Directors' report
30 June 2017

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rhythm Biosciences Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2017.

Directors

The following persons were directors of Rhythm Biosciences Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Dr Trevor Lockett
Shane Tanner
David White

Principal activities

During the financial period the principal continuing activities of the consolidated entity consisted of:

- developing new diagnostic tests for colorectal cancer.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$72,127.

Significant changes in the state of affairs

The company was incorporated on 1 June 2017.

During the period the company issued 37,500,000 fully paid ordinary shares raising \$37,500. The company has also received a further \$1,457,500 in advance of issuing shares.

On 23rd June 2017, the company acquired 100% of the shares of Vision Tech Bio Pty Ltd.

The company has exercised its option with CSIRO with all such conditions precedent being satisfied. The company is seeking to execute the licence and subscription agreement with CSIRO pertaining to that licence in the near term.

There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The company will seek to advance the licence with CSIRO, pursue further development and commercialisation of the ColoStat technology and raise further funds as needed.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of directors

There were no meetings of directors held during the period ended 30 June 2017.

Rhythm Biosciences Limited
Directors' report
30 June 2017

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

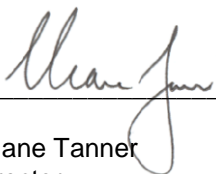
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO East Coast Partnership has been appointed in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Shane Tanner
Director

2 August 2017

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF RHYTHM BIOSCIENCES LIMITED

As lead auditor of Rhythm Biosciences Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rhythm Biosciences Limited and the entities it controlled during the period.



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 2 August 2017

Rhythm Biosciences Limited
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2017

	Consolidated From 1 to 30 June 2017 \$
Expenses	
Corporate and administration expenses	(72,127)
Loss before income tax expense	(72,127)
Income tax expense	-
Loss after income tax expense for the period attributable to the owners of Rhythm Biosciences Limited	(72,127)
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period attributable to the owners of Rhythm Biosciences Limited	<u>(72,127)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Rhythm Biosciences Limited
Statement of financial position
As at 30 June 2017

	Note	Consolidated June 2017 \$
Assets		
Current assets		
Cash and cash equivalents	4	1,494,987
Trade and other receivables	5	4,369
Total current assets		<u>1,499,356</u>
Non-current assets		
Intangibles	6	50,000
Total non-current assets		<u>50,000</u>
Total assets		<u>1,549,356</u>
Liabilities		
Current liabilities		
Trade and other payables	7	126,483
Total current liabilities		<u>126,483</u>
Total liabilities		<u>126,483</u>
Net assets		<u>1,422,873</u>
Equity		
Issued capital	8	1,495,000
Accumulated losses		<u>(72,127)</u>
Total equity		<u>1,422,873</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Rhythm Biosciences Limited
Statement of changes in equity
For the period ended 30 June 2017

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 June 2017	-	-	-
Loss after income tax expense for the period	-	(72,127)	(72,127)
Other comprehensive income for the period, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(72,127)	(72,127)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 8)	1,495,000	-	1,495,000
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	<u>1,495,000</u>	<u>(72,127)</u>	<u>1,422,873</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Rhythm Biosciences Limited
Statement of cash flows
For the period ended 30 June 2017

	Note	Consolidated From 1 to 30 June 2017 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)		(13)
Net cash used in operating activities	15	(13)
Cash flows from investing activities		
Net cash from investing activities		-
Cash flows from financing activities		
Contributions of equity	8	1,495,000
Net cash from financing activities		1,495,000
Net increase in cash and cash equivalents		1,494,987
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	4	<u>1,494,987</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Rhythm Biosciences Limited
Notes to the financial statements
30 June 2017

Note 1. General information

The financial statements cover Rhythm Biosciences Limited as a consolidated entity consisting of Rhythm Biosciences Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Rhythm Biosciences Limited's functional and presentation currency.

Rhythm Biosciences Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 17
500 Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 August 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

In the directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Rhythm Biosciences Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Rhythm Biosciences Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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 consolidated entity'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 3.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Accounting period

The company was incorporated on 1 June 2017, and this financial reports covers the period from that date until 30 June 2017. For this reason there is no comparative information disclosed in this report.

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 12.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rhythm Biosciences Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the period then ended. Rhythm Biosciences Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

Note 2. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Intangible assets

Other intangible assets

Other intangible assets are capitalised as an asset and recognised at cost less amortisation and impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Rhythm Biosciences Limited
Notes to the financial statements
30 June 2017

Note 3. 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.

Acquisition of Vision Biotech

On 23rd June 2017, the company acquired 100% of the shares of Vision Tech Bio Pty Ltd. At this time, Vision Tech Bio Pty Ltd was not carrying out a business. For this reason, AASB 3 Business Combinations has not been applied when accounting for this acquisition.

Note 4. Current assets - cash and cash equivalents

	Consolidated June 2017 \$
Cash at bank	<u><u>1,494,987</u></u>

Note 5. Current assets - trade and other receivables

	Consolidated June 2017 \$
GST receivable	<u><u>4,369</u></u>

Note 6. Non-current assets - intangibles

	Consolidated June 2017 \$
Intangible assets - at cost	<u><u>50,000</u></u>

Note 7. Current liabilities - trade and other payables

	Consolidated June 2017 \$
Trade payables	48,523
Amount payable in relation to acquisition of intangible assets	50,000
Accrued expenses	<u>27,960</u>
	<u><u>126,483</u></u>

Rhythm Biosciences Limited
Notes to the financial statements
30 June 2017

Note 8. Equity - issued capital

	Consolidated	June 2017
	Shares	\$
Ordinary shares - fully paid	37,500,000	37,500
Shares to be issued	-	1,457,500
	<u>37,500,000</u>	<u>1,495,000</u>

During the period the company has received a total of \$1,457,500 in advance of issuing shares at ten cents per share.

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 June 2017	-		-
Founder shares	6 June 2017	<u>37,500,000</u>	\$0.0010	<u>37,500</u>
Balance	30 June 2017	<u>37,500,000</u>		<u>37,500</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 10. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditor of the company:

	Consolidated
	From 1 to 30
	June 2017
	\$
<i>Audit services - BDO East Coast Partnership</i>	
Audit or review of the financial statements	<u>3,000</u>

Rhythm Biosciences Limited
Notes to the financial statements
30 June 2017

Note 11. Commitments

Consolidated
June 2017
\$

Commitment in relation to licence fee over intellectual property

Committed at the reporting date but not recognised as liabilities, payable:

Within one year

550,000

Under its licences agreement with CSIRO, the company must pay CSIRO cash of \$300,000 and issue fully paid shares valued at \$250,000.

Note 12. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

Parent
From 1 to 30
June 2017
\$

Loss after income tax

(72,127)

Total comprehensive income

(72,127)

Statement of financial position

Parent
June 2017
\$

Total current assets

1,499,356

Total assets

1,549,356

Total current liabilities

126,483

Total liabilities

126,483

Equity

Issued capital

1,495,000

Accumulated losses

(72,127)

Total equity

1,422,873

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2017.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017.

Rhythm Biosciences Limited
Notes to the financial statements
30 June 2017

Note 12. Parent entity information (continued)

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 13. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest June 2017 %
Vision Tech Bio Pty Ltd	Australia	100%

Note 14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated From 1 to 30 June 2017 \$
Loss after income tax expense for the period	(72,127)
Change in operating assets and liabilities:	
Increase in trade and other receivables	(4,369)
Increase in trade and other payables	76,483
Net cash used in operating activities	<u><u>(13)</u></u>

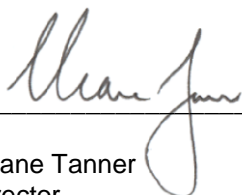
Rhythm Biosciences Limited
Directors' declaration
30 June 2017

In the directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Rhythm Biosciences Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in cursive script, appearing to read 'Shane Tanner', is written over a horizontal line.

Shane Tanner
Director

2 August 2017

INDEPENDENT AUDITOR'S REPORT

To the directors of Rhythm Biosciences Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rhythm Biosciences Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Rhythm Biosciences Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the period ended on that date; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 *Corporations Act 2001*, 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 *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' report for the period ended 30 June 2017, but does not include the financial report and the auditor's report thereon.



Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the 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 *Corporations Act 2001* 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 Group'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 directors either intend to liquidate the Group 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature is a stylized, handwritten 'BDO' logo.

James Mooney
Partner

Melbourne, 2 August 2017