

PEACEWISE LIMITED

ABN 50 125 667 067

Annual Report - 31 December 2020

DIRECTORS REPORT for 2020

Your directors present their report for the financial year ended 31 December 2020.

PeaceWise is a charity registered with the Australian Charities and Not-for-profits Commission. It does not have deductible gift recipient (DGR) status.

This report is provided as one form of evidence of the company's awareness of and commitment to compliance with the governance standards set out in the Australian Charities and Not-for-profits Commission Regulation 2015. PeaceWise is also pleased to be accredited by the CMA Standards Council in recognition of meeting its governance standards.

Financial result in brief

The net surplus of the company for the 2020 financial year amounted to \$168,771. This result reflects a significant change in accounting policies as compared to previous financial years. The decision was taken to commence recognising the development of PeaceWiseKids courses as assets on the balance sheet, which are then depreciated over their useful life. This meant that the expenses associated with developing those courses were not recorded in the profit & loss in the manner that they were in previous years. If this decision had not been taken the result would have been a surplus of \$61,191.

The impact of the COVID-19 pandemic on the operating activities was substantial, which is described in more detail further on in this report.

No significant changes in the company's state of affairs occurred during the financial year.

The Purpose of PeaceWise

PeaceWise Ltd was founded in 2007 in response to the need for an Australian based biblical peacemaking ministry. Its purpose is the pursuit and advancement of the Christian religion through the carrying out, promoting and encouraging of Christian peacemaking and includes all things necessary for and incidental to the pursuit of this purpose.

Christian Peacemaking is seen as helping, supporting and equipping people to respond to conflict from a Christian biblical perspective, including but not limited to teaching, training, equipping, mentoring, coaching, counselling, accrediting, mediating, arbitrating, adjudicating, decision-making and preaching.

The strategies for achieving our purpose

The primary strategy of the company is teaching and training. Throughout the year PeaceWise runs adult courses face-to-face in various locations across Australia. In all PeaceWise training biblical principles for conflict resolution are taught and practised, providing skills for people to use personally and for the benefit of others. National training events provide opportunities to attend the progression of courses and become more skilled-up to help others, whereas

Dedicated events focus on teaching the basic biblical principles to a specific group or organisation that requests training. These events are well received by individuals, churches, schools, and Christian organisations.

Secondly, PeaceWise is intentional in developing child-focused, online, and class-participatory content, Christian peacemaking training courses for children and youth, through the PeaceWiseKids project. The courses are called "PeaceWiseKids" in Primary School and "PeaceWiseYouth" in High School. The resources can be used by schools, SRE teachers, chaplains, and parents and seek to teach the same biblical peacemaking principles to the younger generations.

PeaceWise continues to develop its relationships with Christian schools and has developed training material specifically for these forums. Considerable energy is devoted to building and strengthening these relationships.

As an extension of its main activities, PeaceWise sources conciliators and offers case administration services for Conflict Coaching and Mediation cases. Through this process people are assisted to resolve their conflicts and restore their relationships using the biblically based principles that are taught in the courses. PeaceWise recommends mediators, and facilitates the case administration and management, however the parties contract directly with the mediators or conflict coaches themselves to provide the actual conciliation services.

The annual Board retreat is the key planning event at which visioning and strategic planning takes place. PeaceWise relies deeply on prayer and the leading of the Holy Spirit as an integral part of its decision-making process, and this is coupled with a committed Christian board.

Our principal activities during the year

This was a year that will be forever remembered as a transformational year for PeaceWise. The year commenced very successfully, with a large number of Dedicated Training courses at schools in January and February. However, from March onward, just like the rest of Australian society, the impact of COVID-19 was very significant.

Most of the National Training courses had to be either cancelled or postponed. In NSW we were still able to run the full suite of courses, and also in Western Australia. In Queensland we were able to run some courses on the Gold Coast. All Victorian and Northern Territory courses were cancelled. In total 15 courses were still delivered nationwide, but with somewhat reduced numbers and a significant impact on income.

By year-end, there were 20 Dedicated training events in schools and other organisations, with over 1100 people being trained, which was a very encouraging outcome. Quite a number of the schools that were trained have now become PeaceWiseKids customers.

The PeaceWiseKids project continued to be a major focus during 2020. Development of Course 2 was completed in March, Course 1 was completed in September, and development of Course 7 commenced in November. More significantly, a very large increase in sales of PeaceWiseKids and PeaceWiseYouth was achieved. Just over \$60,000 worth of income was generated, as compared to less than \$10,000 in the previous year. There were 20 schools that purchased

courses for the first time.

In the area of conciliations, during 2020, PeaceWise made arrangements for 6 mediations across a mixture of Christian organisations and provided free conflict coaching to 9 different people.

The impact of COVID-19 was particularly felt in relation to National Training income, however, this was more than offset by the Commonwealth government support initiatives and PeaceWise was the recipient of both JobKeeper and the Cash Stimulus. This support ensured that we were able to remain viable financially and to continue the development of the PeaceWiseKids courses.

Additionally, Peacewise received quite a number of very generous financial gifts, as well as substantial private grant funding. This enabled the commencement of new projects to develop a new branding and marketing strategy and to build new a website with a new, integrated, training management system. Both these projects will be completed in the first half of 2021.

It is with great thankfulness that we acknowledge these gifts, the government financial support and the gifts from donors, all of which enable PeaceWise to thrive both in ministry and financial terms.

How those activities assisted in achieving our purposes

Both the training and conciliation work enable increasing numbers of people to address conflict in a redemptive and constructive way, both in terms of the material and relational issues involved. As all the work of PeaceWise is founded upon the teachings in the Bible and the example of Jesus, these activities frequently bring people into either a renewed or a new relationship with God.

PeaceWise is passionate about the PeaceWiseKids project and the opportunity to teach biblical principles to the next generation from an early age, thereby introducing them to Jesus and giving them the tools to use in conflict situations in their school relationships. The ongoing work with children, youth, and schools is opportune to impact whole communities with a biblical culture of peace.

How PeaceWise measures its performance

PeaceWise measures its performance in both material and non-material terms. The measurement of performance in **material and financial terms** focuses on the following aspects:

- PeaceWise is a not for profit company limited by guarantee and sets its budget to reflect this. It is not the directors' normal intention to finish with a deficit, and any unexpected expenses are managed carefully to avoid this if possible.
- In some years PeaceWise may plan for a deficit if this is appropriate considering longer term strategic plans – for example investing into the PeaceWiseKids project. In such cases, overall solvency is always closely monitored by the Board.
- PeaceWise sets a realistic annual budget that is monitored with the use of monthly reporting showing actuals against budget.

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- PeaceWise relies on the income from its training events to support the ministry as a whole and takes its attendance figures seriously. All Dedicated training events have a budgeted minimum value/or attendance figure attached and we encourage the organisers to try for optimum numbers of registrants.
- At the conclusion of training each year Profit and Loss reports are produced for each state. National Training courses are only held in States/Territories where it is financially viable, or otherwise considered to be strategic for future events.
- PeaceWise aims to build a stronger donor support base each year, recognising that those that have been personally helped by the ministry are often its biggest supporters. The Partners for Peace initiative has provided a regular gift income to the ministry, both in relation to the adult ministry and for PeaceWiseKids.

Performance in **non-material terms** relates to in what way, and how many, lives are impacted by the hope-giving work of the ministry, how, and in what areas, relationships are restored, how people draw closer to Jesus, and how people learn (and practise) to deal better with conflict in their marriages, workplaces, families and other contexts. This non-material aspect of ministry is more difficult to measure but vitally important. PeaceWise values one person coming to faith through the redemptive message of the Gospel more than any financial return we might make during the year. PeaceWise has received and shared with its stakeholder community many stories of transformed lives and relationships through the benefits of applying biblical peacemaking and the gospel of peace during 2019.

The names of each person who has been a director for PeaceWise at any time during or since the end of the year and the period for which the person was a director

Bruce Charles Burgess	Full year
Jeroen Bruins (Chair)	Full year
Li Ai Gamble	Full year
Wendy Konemann	Resigned, 02/10/20
Stuart Wesley	Resigned, 29/05/20
Wayne Forward	Full year

The qualifications, experience and special responsibilities of each director

Bruce Charles Burgess	BA(Hons) LLB(Hons) MA (Chris.Stud.) MTh. Bruce is a practicing lawyer, is the National Director and, in collaboration with the Board, has overall responsibility for the strategic leadership and direction of the ministry.
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Jeroen Bruins	Drs. Geology (Free University of Amsterdam). Jeroen has worked abroad and locally as a professional geologist and as an exploration manager in a large Australian public company. He has retired from his professional occupation and is currently volunteering in non-profit faith-based charities. Jeroen is our Board Chair.
Li Ai Gamble	BCom, BJuris, LLB. Li Ai is a lawyer and has the role of National Training Coordinator.
Wendy Konemann	Bachelor Applied Social Science (Aust College of Applied Psychology). Wendy works as a Relationship Counsellor in a church Agency and is the Development Manager of a Charitable Foundation.
Stuart Wesley	BTh, Grad Dip of Ontological Coaching, Dip Prof Coaching. Stuart has worked as a pastor and church planter and is currently the director of Oasis People and Culture.
Wayne Forward	B Nursing, Grad Dip Nursing (Mental Health), B Ministry. Cert IV workplace training and assessment & Leadership Coaching. Wayne has worked as a Registered Nurse, a Pastor and currently works with Pioneers of Australia in Member Care & Development, Training and Church Partnerships.

Meeting attendance

There were 7 board meetings during 2020. The Directors' attendance record was:

Bruce Burgess	7
Jeroen Bruins	7
Li Ai Gamble	6
Wendy Konemann	1
Stuart Wesley	3
Wayne Forward	6

Membership liability on a winding up

There is only one class of members. On a winding up all members would be liable to contribute a total sum of \$10.

Attachments to this report

- Auditors Independence Declaration
- Income Statement
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes In Equity
- Statement of Cashflow
- Notes
- Directors' Declaration
- Independent Audit Report

National Director *Bruce Burgess*

Bruce Burgess

Director and Chair



Jeroen Bruins

Dated: 11 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
PEACEWISE LIMITED**

As lead audit partner for the audit of PeaceWise Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Avenyou Accounting & Advisory

J. K. Stephens

John Stephens F.C.A

Level 12, 37 York Street
SYDNEY NSW 2000

Dated this day of 2021

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**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
		\$	\$
Revenue	2	480,322	322,577
Consumables used		(57,175)	(63,476)
Employee benefits expense		(82,726)	(69,282)
National director fees	3	(23,750)	(25,500)
Depreciation and Amortisation expenses		(13,214)	(4,234)
Kids project expenses		(19,650)	(116,483)
Other expenses		(114,848)	(71,611)
		<hr/>	<hr/>
Surplus/(deficit) for the year		168,959	(28,009)

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
Surplus/(deficit) for the year	168,959	(28,009)
Other comprehensive Income:		
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	168,959	(28,009)

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	166,414	82,236
Trade and other receivables	5	4,253	3,161
Inventories	6	26,541	29,316
TOTAL CURRENT ASSETS		<u>197,208</u>	<u>114,713</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,260	3,006
Intangibles	8	110,925	5,934
TOTAL NON-CURRENT ASSETS		<u>112,188</u>	<u>8,940</u>
TOTAL ASSETS		<u>309,396</u>	<u>123,653</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables, pre-payments, and stipulated donations	9,10	72,787	54,933
Provision for annual leave	11	2,099	1,638
TOTAL CURRENT LIABILITIES		<u>74,886</u>	<u>56,571</u>
NON-CURRENT LIABILITIES			
Provision for long service leave	11	2,869	4,400
TOTAL NON-CURRENT LIABILITIES		<u>2,869</u>	<u>4,400</u>
TOTAL LIABILITIES		<u>77,755</u>	<u>60,971</u>
NET ASSETS		<u>231,641</u>	<u>62,682</u>
EQUITY			
Retained surpluses		<u>231,641</u>	<u>62,682</u>
TOTAL EQUITY		<u>231,641</u>	<u>62,682</u>

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STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020

	Retained Earnings \$	Total \$
Balance at 1 January 2019	90,691	90,691
Deficit attributable	(28,009)	(28,009)
Balance at 31 December 2019	<u>62,682</u>	<u>62,682</u>
Balance at 1 January 2020	62,682	62,682
Surplus attributable	168,959	168,959
Balance at 31 December 2020	<u>231,641</u>	<u>231,641</u>

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STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		480,302	322,577
Payments to suppliers		(280,209)	(336,116)
GST Recovered (Paid)		527	(3,148)
Interest Received		20	128
Net cash provided by operating activities		<u>200,640</u>	<u>(16,559)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	14	-	(2,190)
Payments for intangibles		(116,462)	-
Net cash provided by (used in) investing activities		<u>(116,462)</u>	<u>(2,190)</u>
Cash flows from financing activities			
Proceeds (repayment) from borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		84,178	(18,749)
Cash and cash equivalents at beginning of financial year		<u>82,236</u>	<u>100,985</u>
Cash and cash equivalents at end of financial year	13	<u>166,414</u>	<u>82,236</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

These financial statements cover PeaceWise Ltd as an individual entity. PeaceWise Ltd is a company limited by shares, incorporated and domiciled in Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and Australian Charities and Not-for-profits Commission 2012 (ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(b) 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 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 statement of financial position are shown inclusive of GST.

Cashflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
2. REVENUE AND OTHER INCOME			
Sales revenue:			
Sale of Goods and Services		196,623	164,893
Other Revenue:			
Interest Received	2(a)	20	128
Donations		104,060	108,449
Grants		97,375	46,998
Jobkeeper		58,500	-
Cash Flow Boost		20,000	-
Miscellaneous Income		3,744	2,109
Total Revenue		480,322	322,577
a. Interest Received From:			
Other Corporations		20	128
3. NATIONAL DIRECTOR FEES			
		23,750	25,500
<p>The services of the National Director are provided to PeaceWise through Burgess Consultants Pty Ltd.</p>			
4. CASH AND CASH EQUIVALENTS			
Cash at Bank – PeaceWise Cheque Account		115,898	23,933
Cash at Bank – Supporters Account		41,227	42,454
Cash at Bank – Trust Account		6,710	12,718
Card Account		2,579	2,894
Petty Cash		-	237
		166,414	82,236
5. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade Debtors		2,514	1,619
Grants Receivable and Prepayments		1,739	1,211
Goods and Services Tax		-	331
		4,253	3,161
6. INVENTORIES			
At cost:			
Stock on Hand		26,541	29,316

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and equipment		79,243	79,243
Less Accumulated depreciation		(78,083)	(76,237)
Total property, plant and equipment		<u>1,260</u>	<u>3,006</u>
<p>a. Movement in carrying amounts For disclosure on movement in carrying amounts please refer to note 14 in the end of this financial report.</p>			
8. INTANGIBLE ASSETS			
Patents and trademarks and Course IP		145,621	29,160
Less Accumulated amortisation and impairment		(34,696)	(23,226)
		<u>110,925</u>	<u>5,934</u>
Reconciliation of patents and trademarks			
Balance at beginning of year		5,934	8,524
Additions		116,461	-
Disposals			
Amortisation charge		(11,470)	(2,590)
Impairment losses		-	-
Closing carrying value at 31 December		<u>110,925</u>	<u>5,934</u>
Impairment Disclosures			
<p>The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10-year period with the period extending beyond five years is extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10-year government bonds at the end of the period.</p>			
9. TRADE AND OTHER PAYABLES			
CURRENT			
Trade Creditors		5,434	14,369
PAYG and Superannuation Payable		96	437
Accrued Expenses Payable		6,067	1,649
Goods & Services Tax		196	9
		<u>11,793</u>	<u>16,455</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
10. OTHER LIABILITIES			
CURRENT			
Training Revenue in Advance		7,906	12,017
Mediation Deposits		6,700	10,483
Kids Project Fund		-	55
Grant Revenue in Advance		45,626	15,502
Rewrite courses Fund		-	-
Scholarship Fund		762	421
		<u>60,994</u>	<u>38,478</u>
PROVISIONS			
Provision for annual leave – current		2,099	1,638
Provision for long service leave – non-current		2,869	4,400

12. COMPANY DETAILS

The registered office of the company is:
PeaceWise Ltd
Level 12,
37 York Street
Sydney NSW 2000

The principal place of business is:
PeaceWise Ltd
Bulayu House
16 Masons Drive
North Parramatta NSW 2151

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 2020

13. CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	166,414	82,236
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b. Reconciliation of cash flow from operations with surplus/(deficit)

Surplus/(Deficit) after income tax	168,959	(28,009)
Non-cash flows in profit:		
Depreciation	1,846	1,645
Amortisation	11,470	2,590
Changes in Assets and Liabilities:		
Trade Debtors	(1,092)	(451)
Inventory	2,775	(8,623)
Fixed Assets	-	-
Trade Creditors	(4,662)	12,424
GST Clearing	-	-
Provisions	(1,070)	6,038
Unearned income	22,414	(2,173)
Cash flows from operating activities	200,640	(16,559)

14. MOVEMENT IN CARRYING AMOUNTS

Movement in carrying amounts for each class of property, plant and equipment.

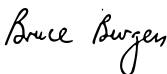
	Office furniture & equipment \$	Total \$
Balance at 1 January 2019	2,190	2,190
Additions	-	-
Depreciation expense	(1,644)	(1,644)
Carrying amount at 31 December 2019	3,006	3,006
Additions	3,006	3,006
Sales	-	-
Depreciation expense	(1,746)	(1,746)
Carrying amount at 31 December 2020	1,260	1,260

DIRECTORS' DECLARATION


The Directors of the company declare that:

1. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. In the directors' opinion, the financial statement and notes are in accordance with the Australian Charities and Not-for-profits Commission 2012 (ACNC Act) and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation) and give a true and fair view of the financial position and performance of the company for the year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Bruce Burgess

Director 

Jeroen Bruins

Dated: 11 March 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PEACEWISE LIMITED**

Opinion

We have audited the financial report of PeaceWise Limited, which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and cash flow statement 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 PeaceWise Limited is in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including::

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 ACNC Act. 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 ACNC Act 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.

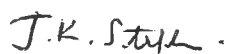
In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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.

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/Home.aspx>. This description forms part of our auditor's report.

Avenyou Accounting & Advisory



John Stephens F.C.A

Level 12, 37 York Street
SYDNEY NSW 2000

Date this day of 2021