

ROSS HOUSE ASSOCIATION - INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2017**

ROSS HOUSE ASSOCIATION - INCORPORATED
BALANCE SHEET
AS AT 30TH JUNE 2017

	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash at Bank & On Hand		750,906	812,748
Trade Debtors		18,814	10,314
Less Provision for Doubtful Debts		5,000	5,000
		<u>13,814</u>	<u>5,314</u>
Sundry Debtors		-	-
Prepayments		52,322	52,322
Account Receivable		-	40
		<u>817,042</u>	<u>870,424</u>
<u>Non-current Assets</u>			
Land	1 (f)	5,550,000	5,550,000
Buildings	1 (f)	2,950,000	2,950,000
Less accumulated amortisation		(295,000)	(221,250)
Furniture & Equipment		200,001	155,881
Less accumulated depreciation	1 (b)	(146,505)	(141,301)
Capital Work		234,074	175,537
Less accumulated depreciation	1 (b)	(119,478)	(91,342)
Electronic Equipment		73,990	16,580
Less accumulated depreciation	1 (b)	(21,266)	(12,028)
HVAC		801,516	801,516
Less accumulated depreciation	1 (b)	(142,222)	(102,146)
		<u>9,085,110</u>	<u>9,081,447</u>
<u>TOTAL ASSETS</u>		<u>9,902,152</u>	<u>9,951,871</u>
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Trade Creditors		-	-
Sundry Creditors & Accruals		38,052	38,988
Income in Advance		8,547	8,264
Staff Leave Provisions	1 (c)	50,043	44,218
Superannuation Provision		6,542	5,237
		<u>103,184</u>	<u>96,707</u>
<u>Non- Current Liabilities</u>			
Right of Indemnity-Ross House Trust	1 (f)	8,205,000	8,278,750
Staff Leave Provisions - L.S.L.		18,822	31,111
		<u>8,223,822</u>	<u>8,309,861</u>
<u>TOTAL LIABILITIES</u>		<u>8,327,006</u>	<u>8,406,568</u>
<u>NET ASSETS</u>		<u>1,575,146</u>	<u>1,545,303</u>
<u>EQUITY</u>			
Emergency Reserve		400,000	400,000
Retained Earnings		1,175,146	1,145,303
		<u>1,575,146</u>	<u>1,545,303</u>

ROSS HOUSE ASSOCIATION - INCORPORATED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

<u>INCOME</u>	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
Lease Income		678,042	640,236
Car Park	1 (d)	48,058	51,181
Facilities Hire	1 (d)	253,094	219,465
Equipment Hire		20,301	16,534
Sales-Equipment Keys & Stationery		2,186	2,393
Interest Received		8,779	10,551
Insurance & Other Reimbursements		2,515	1,309
Membership Subscription		5,402	3,414
Other Income		2,850	4,193
Rounding		-	1
Donations & Donations in Kind		-	183
TOTAL INCOME		<u>1,021,227</u>	<u>949,460</u>
 <u>LESS EXPENDITURE</u>			
Operating Expenses			
Salaries & Wages		401,559	372,214
Superannuation		39,469	36,377
Workcover Premiums		2,023	1,808
Provision for Staff Leave		(6,465)	5,639
Staff Training		2,430	549
		<u>439,016</u>	<u>416,587</u>
 Property and Equipment Costs			
<i>Building Expenses</i>			
Air Conditioning		18,971	21,500
Signage		413	1,502
Building Maintenance	1 (e)	156,791	62,566
Green Ross House		-	166
Building Insurance		32,661	31,438
Doors		9,764	12,338
Lifts		11,582	31,072
Fire Prevention Service		21,134	13,696
Pest Control		1,969	2,500
Security		7,136	7,416
Locksmiths & Keys		997	2,481
		<u>261,418</u>	<u>186,675</u>

ROSS HOUSE ASSOCIATION - INCORPORATED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

	<u>NOTE</u>	<u>2017</u>	<u>2016</u>
Property and Equipment Costs (Cont'd)			
Utilities & Services		66,446	66,979
Cleaning		62,260	65,869
		<u>128,706</u>	<u>132,848</u>
<i>Other property & Equipment</i>			
Furniture & Equipment Expenses		1,877	3,051
Equipment Repair		403	650
Depreciation	1 (b)	82,654	72,462
Photocopy Expenses		8,455	6,199
Tenant Insurance Reimbursement		3,521	4,070
Rates-Dukes		350	-
Congestion levy		12,240	8,040
		<u>109,500</u>	<u>94,473</u>
<i>Total Property & Equipment Costs</i>		<u>499,624</u>	<u>413,996</u>
Operating Costs			
Amenities		787	362
Advertising and Promotion		48	264
Audit fees		1,951	1,880
Bad Debts Expenses		1,117	2,929
Bank Charges		399	417
Bookkeeping & Accounting fees		560	350
Computer & Courier		9,159	4,503
Consultants fees		6,346	3,456
Annual report & AGM		4,640	4,035
Events		2,937	2,616
Legal fees		4,958	-
Telephone		7,314	6,136
Printing & Design		1,194	1,710
RHA Admin Support & COM Exp		6	1,566
Stationery & Office Supplies		3,586	5,660
Sub. Membership & Library		1,962	963
Sundry Expenses		1,041	5,066
30 Years at Ross House		4,601	-
Website		138	498
		<u>52,744</u>	<u>42,410</u>
TOTAL EXPENDITURE		<u>991,384</u>	<u>872,993</u>
PROFIT(LOSS) FOR THE YEAR		<u>29,843</u>	<u>76,468</u>

ROSS HOUSE ASSOCIATION - INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

	<u>2017</u>	<u>2016</u>
Balance as at 1 July 2016	1,145,303	921,335
Depreciation Written Back from Prior Years 1 (g)	-	147,500
Profit(loss) attributable to members	29,843	76,468
Wind Up Costs Reserve	-	-
Transfer from RHA Trust	-	-
Transfer to Emergency Reserve	-	-
<u>Balance as at 30 June 2017</u>	<u>1,175,146</u>	<u>1,145,303</u>

ROSS HOUSE ASSOCIATION - INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012. The committee has determined that the association is not a reporting entity.

This financial report has been prepared in accordance with the requirements of the Associations Incorporation Reform Act 2012 and the following Australian Accounting Standards:

AASB 112	Income Taxes
AASB 1031	Materiality
AASB 110	Events after the Balance Sheet Date
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by Ross House Association - Incorporated in the preparation of the financial report. These accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No income tax is payable as all income is mutually exclusive.

(b) Property, Plant and Equipment

Each Class of property, plant and equipment are carried at cost less, where applicable, any accumulated 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.

The Depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Capital Work	14.29% P.C.
Electronic Equipment	25% P.C.
Furniture & Fittings	14.29% P.C.
HVAC	5% P.C.
Building	2.5% P.C.

ROSS HOUSE ASSOCIATION - INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2017

(b) Property, Plant and Equipment (Continued)

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

	<u>2017</u>	<u>2016</u>
Depreciation	<u>82,654</u>	<u>72,462</u>

(c) Employee Benefits

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date.

<u>Staff Leave Provision:</u>	<u>2017</u>	<u>2016</u>
Annual Leave	31,828	22,571
Paid Parental Leave	18,215	21,647
	<u>50,043</u>	<u>44,218</u>

(d) Car Park and Facilities Hire

The City of Melbourne secured a leasing agreement with Ross House Association to locate a recycling facility in the buildings' car-park ('the site'). Therefore, there is increase of utilities fees received from City of Melbourne to rent space in the car park and resulted lower in car park fees because of reduced number of parking spaces available.

(e) Building Maintenance

	<u>2017</u>	<u>2016</u>
Minor Maintenance	25,519	23,035
Eastern Façade Project	100,762	-
Heritage Façade Project	-	8,105
Electricity Repairs	6,095	5,454
Painting	22,439	24,081
Plumbing	1,976	1,890
	<u>156,791</u>	<u>62,566</u>

(f) Ross House Trust -Land and Buildings

Ross House Association is the Trustee of the Ross House Trust. Subject to the Ross House Trust deed dated 21st December 2010 the Building at 247-251 Flinders Lane Melbourne is owned by the Ross House Trust. Ross House Association Inc. as Trustee of the Ross House Trust Manages and maintains the Building in accordance with the terms of the Ross House Trust Deed including the management and maintenance expense as required and levies rent and other charges as required to fulfil the terms of the Deed. The income collected and expenses incurred fulfil the terms of the Trust and rules of the Association as required by law. Subject to AASB 108 and the principles therein have

been applied and the decision of the Board of Management is to show the Building as an asset and a liability of the Association in accordance as being held in Trust for the Ross House Trust and the Ross House Trust Association Inc. as the Trustee

As a further requirement and applying the principles of AASB 108 it was necessary to re-state the prior year comparatives to reflect this change.

A separate set of Financial Statements are attached for the Ross House Trust.

(g) Depreciation Written Back from Prior Years

Subject to AASB 108 adjustment has been made to record the write-back of prior years depreciation that is now recorded as an expense of the Ross House Trust

ROSS HOUSE ASSOCIATION - INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

	<u>2017</u>	<u>2016</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers & other receipts	1,102,739	947,640
Payments to suppliers and employees	(1,013,293)	(854,055)
Interest, Donations & Memberships received	8,779	10,551
	98,225	104,136
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from (payment for) property, plant and equipment	(160,067)	(10,845)
	(160,067)	(10,845)
Net cash provided by (used in) investing activities	(160,067)	(10,845)
Net increase (decrease) in cash held	(61,842)	93,291
Cash at beginning of year	812,748	719,457
	750,906	812,748
Cash at end of reporting period (Note 1)	750,906	812,748

NOTES TO THE STATEMENT OF CASH FLOWS

NOTE 1. RECONCILIATION OF CASH

For the purposes of the statement of the cash flows, cash included cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts

(a) Reconciliation of Cash

Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	65	88
Cash at Bank	750,841	812,660
	750,906	812,748
	750,906	812,748

NOTE 2. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT

Operating result	29,843	76,468
Depreciation of Non-current Assets	82,654	72,462
Changes in Net Assets and Liabilities:		
(Increase)/decrease in Security Deposit	166	166
(Increase)/decrease in debtors	7,599	7,599
(Increase)/decrease in prepaid expenses	-	(36,399)
Increase/(decrease) in creditors	(936)	(24,079)
Increase/(decrease) in provisions	(5,159)	6,953
Increase/(decrease) in income in advance	283	966
Assets written off		
	114,450	104,136
	114,450	104,136

ROSS HOUSE ASSOCIATION - INCORPORATED

COMMITTEE REPORT

The committee members submit the financial report of the Ross House Association - Incorporated for the financial year ended 30th June 2017.

Committee Members

The names of the committee members throughout the year and at the date of this report are:

Valerie Elliott

Christine McAuslan

Keith Bettles

Sue Healy

Maree Norris

De Grebner

Amber Moore

Charles Brass

Principal Activities

The principal activity of the association during the financial year was:
To manage Ross House for small community organisations who are working towards a just and environmentally sustainable society.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The net profit/(loss) for the year amounted to \$29,843 2016 \$76,468

Signed in accordance with a resolution of the Committee to the Members



Valerie Elliott (Chairperson)



Keith Bettles (Treasurer)

Dated this 24th day of October, 2017

**Ross House Association Inc.
As Trustee for the Ross House Trust
Financial Statements
For the Year ended 30 June 2017**

Ross House Trust
Balance Sheet
As at 30 June 2017

	2017	2016
	\$	\$
Trust Funds		
Accumulated Profits (Losses) Brought Forward	(221,250)	(147,500)
Loss This Year	(73,750)	(73,750)
Asset Revaluation Reserve	8,500,000	8,500,000
Total Trust Funds	<u>8,205,000</u>	<u>8,278,750</u>
 Represented by:		
Non-Current Assets		
Freehold Land	<u>5,550,000</u>	<u>5,550,000</u>
	5,550,000	5,550,000
Buildings	2,950,000	2,950,000
Less Accumulated Depreciation & Impairment	<u>295,000</u>	<u>221,250</u>
	2,655,000	2,728,750
	<u>8,205,000</u>	<u>8,278,750</u>
Total Assets	<u>8,205,000</u>	<u>8,278,750</u>
Net Assets	<u>8,205,000</u>	<u>8,278,750</u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

Ross House Trust
Statement of Changes in Equity
For the Year ended 30 June 2017

	2017	2016
	\$	\$
Opening Balance	8,278,750	8,500,000
Undistributed Income		
Profit Attributable to Unitholders	<u>(73,750)</u>	<u>(73,750)</u>
	(73,750)	(73,750)
Closing Balance	<u><u>8,205,000</u></u>	<u><u>8,426,250</u></u>
 Reconciliation of Undistributed Income		
Opening Balance	(221,250)	-
Profit Attributable to Unitholders	<u>(73,750)</u>	<u>(73,750)</u>
Closing balance	<u>(295,000)</u>	<u>(73,750)</u>
 Reconciliation of Reserves		
 Asset Revaluation Reserve		
Opening Balance for the year	<u>8,500,000</u>	<u>8,500,000</u>
Closing Balance	<u>8,500,000</u>	<u>8,500,000</u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

Ross House Trust
Profit and Loss Statement
For the Year ended 30 June 2017

	2017	2016
	\$	\$
Expenditure		
Depreciation - Buildings	<u>73,750</u>	<u>73,750</u>
	73,750	73,750
Loss before Income Tax	<u><u>(73,750)</u></u>	<u><u>(73,750)</u></u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

Ross House Trust
Notes to the Financial Statements
For the Year ended 30 June 2017

1. **Summary of Significant Accounting Policies**

(a) **Basis of Preparation**

The trustees have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed, the information needs of stakeholders and for the basis of preparation of the income tax return.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the trustees have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(b) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or trustees' valuation. All assets excluding freehold land, are depreciated over their useful lives to the trust.

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

Ross House Trust
Notes to the Financial Statements
For the Year ended 30 June 2017

	2017	2016
	\$	\$
2. Expenses		
Depreciation and Amortisation Expenses	<u>73,750</u>	<u>73,750</u>
	<u>73,750</u>	<u>73,750</u>
3. Profit for the Year		
Profit before income tax expense from continuing operations includes the following specific expenses:		
Charging as Expense		
Movements in Provisions		
Depreciation		
- Buildings	73,750	73,750
	<u>73,750</u>	<u>73,750</u>
Net Expenses Resulting from Movement in Provisions	<u>73,750</u>	<u>73,750</u>
4. Property, Plant and Equipment		
Land and Buildings		
Freehold Land	<u>5,550,000</u>	<u>5,550,000</u>
	5,550,000	5,550,000
Buildings		
Buildings	2,950,000	2,950,000
Less Accumulated Depreciation & Impairment	<u>295,000</u>	<u>221,250</u>
	2,655,000	2,728,750
	<u>8,205,000</u>	<u>8,278,750</u>
Total Land and Buildings	<u>8,205,000</u>	<u>8,278,750</u>
5. Trust Funds		
Accumulated Profits (Losses) Brought Forward	(221,250)	(147,500)
Loss This Year	(73,750)	(73,750)
Reserves	<u>8,500,000</u>	<u>8,500,000</u>
Total Trust Funds	<u>8,205,000</u>	<u>8,278,750</u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

Ross House Trust
Notes to the Financial Statements
For the Year ended 30 June 2017

	2017	2016
	\$	\$
6. Reserves		
Asset Revaluation Reserve	<u>8,500,000</u>	<u>8,500,000</u>
	<u>8,500,000</u>	<u>8,500,000</u>

7. Trust Details

The principal place of business is:
Ross House Trust
247-251 Flinders Lane Melbourne Vic 3000

As at the 30 June 2017, the company
had employees.

The principal activities of the business include:
TRUST

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.*

Ross House Trust
Fixed Asset and Depreciation Schedule
For the Year Ended 30 June 2017

Asset	Private Use	Cost Price	Cost Limit	Opening W.D.V 01/07/2016	Additions Disposals	Gain/Loss on Disposal	Capital Gains	---- Depreciation ---- Rate	----- \$	Accum Deprec 30/06/2017	Closing W.D.V 30/06/2017
BUILDINGS											
247-251 Flinders Lane		2,950,000		2,728,750				2.5% PC	73,750	295,000	2,655,000
Sub-total		2,950,000		2,728,750					73,750	295,000	2,655,000
Long Life Pool								5.0% DV			0
Total		2,950,000		2,728,750					73,750	295,000	2,655,000

These notes should be read in conjunction with the attached Compilation Report

DirectorsLionel R. Arnold CA B.Bus
Raelene Cheng CPA B.Com**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ROSS HOUSE ASSOCIATION INCORPORATED****Opinion**

We have audited the accompanying financial report, being a special purpose financial report, of ROSS HOUSE ASSOCIATION INCORPORATED, which comprises the financial position as at 30th June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies and managements assertion statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of ROSS HOUSE ASSOCIATION INCORPORATED as at 30th June 2017, and its financial performance and its cash flows for the year then ended in accordance with Associations Incorporation Reform Act 2012.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity 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 to assist ROSS HOUSE ASSOCIATION INCORPORATED to meet the requirements of Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *applicable legislation* and for such internal control as management determines 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, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

J. L. Collyer & Partners
Accountants**Lionel R. Arnold**Dated in Glen Waverley on
11th October 2017**Partner**

DirectorsLionel R. Arnold CA B.Bus
Raelene Cheng CPA B.Com1ST SEPTEMBER 2017**THE COMMITTEE
ROSS HOUSE ASSOCIATION INC.AND ROSS HOUSE TRUST
247-251 FLINDERS LANE
MELBOURNE VIC 3000**

Dear Committee

You have requested that we audit the financial statements of *ROSS HOUSE ASSOCIATION INC.AND ROSS HOUSE TRUST* as of and for the year ending 30th June 2017. We are pleased to confirm our acceptance and understanding of this engagement by means of this letter.

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. We will review the balance sheet of ROSS HOUSE ASSOCIATION INC.AND ROSS HOUSE TRUST as of 30th June 2017, and the related profit and loss statement, and accompanying notes for the year then ended, in accordance with Australian Auditing Standards applicable to review engagements with the objective of expressing an opinion on the financial statements.

Australian Auditing and Assurance Standards require that there must be a clear understanding in writing between the auditor and the client as to the extent of audit duties. Accordingly, in confirmation of our recent discussions with you, we set out below details of our responsibilities as auditors.

Audit of Accounts & Statements

We will conduct our audit in accordance with Australian Auditing and Assurance Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures will be undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view, which is consistent with our understanding of the fund's financial position, the results of its operations and its cash flows.

The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit can only provide reasonable not absolute assurance that the financial statements are free of material misstatement.

In addition to our report on the financial statements, we expect to provide you with a separate letter concerning any material weaknesses in the internal control structure that come to our notice.

Our audit procedures are designed to gather sufficient appropriate audit evidence to form an opinion on the financial statements. Unless otherwise agreed with you, we assume no responsibility to design audit procedures to identify matters that may be appropriate to report to you. However, if we encounter matters during the course

of our audit that we believe should be brought to your attention for consideration or further action, we will communicate these matters to you. If no such matters come to our attention, we will report accordingly.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities.

We remind you that it is the Company's responsibility for the maintenance of adequate accounting records and internal controls, the safeguarding of assets, the selection of accounting policies and the preparation of financial statements.

As part of our audit process, we may request from the Company and its Directors written confirmation concerning representations made to us in connection with the audit.

Quality Control

The conduct of our audit in accordance with Australian Accounting Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the quality control review program of (CPA Australia and/or Chartered Accountants Australia and New Zealand) which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

Other

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements.

YOURS FAITHFULLY,



Lionel R. Arnold

Director

J L Collyer & Partners

ACKNOWLEDGED ON BEHALF OF ROSS HOUSE ASSOCIATION INC.AND ROSS HOUSE TRUST

 24th / 10 / 2017

Ross House Association Inc.
Ross House Trust
247-251 Flinders Lane
Melbourne Vic 3000

1st September 2017

Mr. Lionel Arnold
J L Collyer Partners
PO Box 340
GLEN WAVERLEY VIC 3150

Dear Mr. Arnold,

This representation letter is provided in connection with your audit of the financial report of ROSS HOUSE ASSOCIATION INC. AND ROSS HOUSE TRUST for the year ended 30th June 2017, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards [and the *Associations Incorporation Reform Act 2012* (the Act), if applicable].

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

Financial report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 1st September 2017, for the preparation of the financial report in accordance with Australian Accounting Standards as per note 1; in particular the financial report is fairly presented in accordance therewith.
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian accounting standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information provided

- We have provided you with:
 - a) Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
 - b) All requested information, explanations and assistance for the purposes of the audit.
 - c) Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial report.
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with the applicable financial reporting framework.

General

- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- The Association has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
- There have been no known instances of non-compliance or suspected non-compliance with laws and regulations or contractual agreements whose effects should be considered in preparing the financial report.

Fraud

- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and confirm we have disclosed to you:
 - a) the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
 - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - i. management
 - ii. employees who have significant roles in internal controls or
 - iii. others where the fraud could have a material effect in the financial report and
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated to us by employees, former employees, analysts, regulators or others.

Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

Impairment of assets

- We have considered the requirements of AASB 136: Impairment of assets when assessing the carrying values of assets and in ensuring that no assets within the scope of AASB 136 are stated in excess of their recoverable amount.

Liabilities

- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

Inventory

- We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- Provision has been made for material losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.
- The association has no 'make good' obligations in respect of its property, plant and equipment for which it would be required to make a restorative provision under AASB 137 *Provisions, contingent liabilities and contingent assets* which have not been included in the financial report.

Taxation

- Adequate amounts have been accrued for all local and foreign taxes on income including amounts applicable to prior years not finally settled and paid.

Electronic presentation of financial report

- With respect to presentation of the financial report on our website, we acknowledge that:
 - a) we are responsible for the electronic presentation of the financial report
 - b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version
 - c) we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation
 - d) we have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information presented and
 - e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,



Committee of Management Representatives – ~~Chair~~ Treasurer