



Leadership⁺ Plus

ANNUAL REPORT 2017-2018



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Chairman's Report

On behalf of the Leadership Plus Board of Directors I am very pleased to present this year's Chair's report. It has been an important year for Leadership Plus. We have worked to become part of the DSS Decision Support Pilot (previously called the "No Next of Kin Pilot") which involves the transition of people with limited or no decision-making capacity into the National Disability Insurance Scheme (NDIS). Our advocates care deeply about the human rights of our clients and by being part of this process, Leadership Plus is in a unique position to ensure that their views and human rights are upheld and respected.

Leadership Plus has continued to provide individual advocacy and support clients seeking to appeal decisions taken by the National Disability Insurance Agency (NDIA) to the Administrative Appeals Tribunal. This year we have been successful in securing funding to set-up an advocacy hub for advocates to facilitate information sharing. We have also strengthened our online presence by adding case studies to our website.

The Board has begun implementing its new

strategic plan which has been successfully codified into a business plan to provide the organisation with a clear direction. The Board has also updated all its governance policies and is in the process of strengthening its partnerships with key stakeholders. Our new CEO Geoff Southwell employed his significant experience in financial management to help Leadership Plus navigate the changing disability landscape due to the roll-out of the NDIS across Victoria. Geoff has worked closely and enthusiastically with the Board to ensure our strategic plan is implemented.

The Board has recruited Jacqui Weatherill, Marija Maher, James Ryan and Vicky McIver whose expertise will be invaluable to Leadership Plus in the years to come. We have said goodbye to Sharon Waitzer and Christine Taylor whose expertise and commitment will be sorely missed. One of our long-standing Board members, John Wakefield who is a champion for those with an intellectual disability has been awarded a Medal of the Order of Australia. We are all very proud of him and honoured to have him on our Board.

I record my thanks to our funders including the Department of Social Services and the Department of Health and Human Services who have made it possible for us to continue to make a difference to the lives of people with disabilities.

I wholeheartedly thank our volunteer Board members who have put in time and effort to provide guidance to our organisation. My sincere thanks to the Leadership Plus team for their commitment and dedication to improving the lives of people with disabilities. In particular, I want to thank Jeff Coley, our previous Executive Officer, for his many years of supporting the Board and commitment to Leadership Plus.

Finally, I acknowledge the contributions of our members who make it possible for Leadership Plus to continue to ensure people with disabilities can exercise choice, have the opportunity to reach their full potential and participate socially and economically.

Robbert Roos
Chairperson

Case Study: Getting Huang day leave from hospital

Huang was living with his family – shortage of qualified staff, and inconsistent hospital policy cost him his freedom

Huang is a 56 year old man who lives with quadriplegia. With twice daily support for his personal care needs from two attendant carers, he lives with his sister in the family home. The two service agencies providing attendant care have been struggling for some time to roster appropriately trained staff, in part due to Huang’s complex support needs, but also due to the shortage of properly trained workers, a systemic issue for the sector.

In early December 2017, the agencies were unable to fill a number of Huang’s shifts with trained workers, so Huang was admitted to a large public hospital to meet his support needs while a new agency that could fill the roster could be found. While not satisfactory, at least Huang was supported, and initially he had limited day leave to return home to visit his family and to shop, as long as he was back at the hospital by 8 pm (so as not to lose his hospital bed if he stayed away overnight).

However, in early January 2018, Huang was moved to a different ward. He was informed by the new Nurse Unit Manager (NUM) that day leave was not permitted on that ward. The hospital social worker tried to arrange for continuing to allow him to leave, but was unable to remove the restriction.

The social worker sought help from a Leadership Plus advocate, who emailed the Patient Experience Office (previously called the Complaints Office), requesting that Huang be allowed day leave and raising Section 12 of the Victorian Charter of Human Rights and Responsibilities:

“Every person lawfully within Victoria has the right to move freely in Victoria and to enter and leave it and has the freedom to choose where to live.”

The advocate also requested clarification regarding the hospital’s policy on day leave as there seemed to be different rules on different wards.

As a result, the Patient Experience Officer emailed the advocate the following day to advise that the Nurse Unit Manager had agreed to Huang’s request for six hours of day leave three

times per week, and Huang is able to resume some degree of life with his family.

Chief Executive's Report

The year 2017-2018 saw the initial ripples of the NDIS rollout turn into waves of change and disruption across Victoria, with many effects both expected and unanticipated. Like other advocacy agencies, we at Leadership Plus have seen more demand for our service and changes in the issues people with disability are facing. The rollout will be completed in all but three of the 16 Victorian regions by the end of 2018, with most of the metropolitan regions in the first half of the year. As expected, the ambitious timetable has had many consequences around staffing, skills and processes which have led to issues for people with disability engaging with the system.

In our advocacy work funded by the National Disability Advocacy Program, there are new issues to deal with around the NDIS itself, complexities with access to and rules around Supported Disability Accommodation, and myriad other specifics of the NDIS process. This is in addition to the very broad range of existing issues our clients face and which the team is skilled in supporting.

We continue to provide advocacy to hundreds of clients through the NDAP funding, but have also had periods where we have had to close our intake due to the volume of clients we are handling, and the increased complexity of our clients' issues. Leadership Plus recognises the critical value to people with disability of the funding for this service by the Department of Social Services.

DSS also provides funding for NDIS Appeals, where we assist people who wish to have NDIA decisions reviewed by the Administrative Appeals Tribunal. The rollout has meant many more NDIA decisions are being made, and many more people have issues with those decisions. It is also fair to say that the rapid expansion of the NDIA itself has led to many issues arising simply through process inconsistencies and breakdowns within the NDIA, and it is clear that the agency did not anticipate the volume of internal reviews and AAT appeals that have emerged. We have found it necessary to increase the legal focus and skills in the team to ensure cases are brought to and through the AAT as quickly as possible and not delayed by incorrect handling on the

part of the NDIA. Again, this is a very valuable service the DSS funds, and while there was a view that the demand would wane after rollout, we are not seeing any signs of cases abating in well-established regions.

On the back of a monthly teleconference of Victorian NDIS Appeals agencies, Leadership Plus set up an online collaboration platform for all the Victorian Appeals agencies, where people could post useful guides on issues, case notes on public cases, material from the NDIA which may be relevant to appeals for access and about plan content. As a result of that pilot, the Victorian Department of Health and Human Services provided funding under the Advocacy Innovation program for Leadership Plus to implement the Victorian Advocacy Hub, a collaboration tool for all advocacy agencies in Victoria, both federally and state funded. This allows advocates to compare notes, ask questions and post information on any advocacy issues they and their clients are facing.

While the NDIS is built around the concept of choice and control, DSS has also recognised a specific challenge facing people with

limited decision making capacity and may have no informal supports to assist in engaging with the scheme. Leadership Plus is conducting a pilot program for DSS providing decision support to clients through their initial engagement with the NDIS, in order to establish appropriate protocols and practice in this area.

Among other developments this year, we have updated our branding, logo and website, with new content and an ongoing blog; outsourced our bookkeeping and financial reporting and updated our financial system; changed our operational reporting to lodge DSS reports electronically, all contributing to streamlined operations internally and to a higher profile for the organisation.

Leadership Plus continues to be an active contributor to disability systemic advocacy, participating in advocacy sector groups and disability bodies. Leading much of this activity, Melanie Muir is an effective voice in the sector and her continued leadership of Disability Advocacy Victoria is an invaluable contribution to advocacy effectiveness in the state.

None of this could be done without the dedicated and effective Leadership Plus team, all of whom I wholeheartedly thank for their enthusiasm and professionalism throughout the year. We are also fortunate to have an engaged and talented board who generously volunteer their time to help guide and support the organisation, and whose input through the year has been invaluable.

Geoff Southwell
Chief Executive Officer

Case Study: A bed is not a home – a house for Peter and Lisa

Peter could get Specialist Disability Accommodation, but only if he lived by himself.

Peter had a spinal stroke a year ago, aged only 24. He now lives with quadriplegia and needs a ventilator to breath and speak, but has no cognitive impairment. Before his stroke he lived with his long term partner Lisa in regional Victoria, and Lisa remains his closest support. Lisa is a fulltime student who supported them both before the injury, when they rented privately as they have never been a position to purchase a property.

He's been in hospital since his injury, but if they can just find suitable accommodation he can be discharged. He's been assessed as requiring 24 hour support and staff need specialized training for his ventilator.

Neither Lisa nor Peter wanted an institutional setting for his care, and they felt that the National Disability Insurance Scheme plan they applied for and had approved would help them find the kind of accommodation they needed, somewhere they could live together.

With the help of the hospital social worker, Peter received an interim plan from the NDIS, to be reviewed once he was discharged from the hospital.

The social worker also made an application for accommodation with a housing provider that supplies purpose-built apartments for younger people with very high physical support needs who would otherwise end up living in residential aged care. The apartments are located in the community in a mixed complex of privately owned, social, and disability specific housing and their residents have access to on-site 24 hour shared support. The social worker requested an NDIS plan review to include funding for Specialist Disability Accommodation (SDA) in Peter's plan.

The housing provider accepted Peter's application and the offer was conditional on Peter having SDA funding in his NDIS plan. However, the provider informed Peter and Lisa that they would not be permitted to live together at the apartment because the level of SDA funding required was for only one NDIS participant with very high support needs. The hospital social worker sought advocacy around the issue of Peter not being permitted to live with his partner.

The advocate confirmed the SDA rules were no barrier for Peter and Lisa to reside together in SDA-funded accommodation, as long as there was more than one bedroom. The provider was contacted to clarify their policy of only one participant (and no family members or partners) to be offered tenancy in their apartments even though the

apartments had 2 bedrooms. They advised that this was because there was third party investment in the properties and they had to generate a guaranteed return to investors, and this could only be achieved if the SDA funding was at the highest level (around \$100,000 per year) but that if a family member who was not a participant also lived in the accommodation, the funding available was reduced by almost half.

When the advocate got involved, Peter's NDIS plan review for SDA funding was still not completed after four months, and the housing provider had extended the time limit on their offer twice. The advocate submitted a complaint to the NDIS and also contacted Peter's federal Member of Parliament about the delay.

Two weeks after the complaint, the NDIS planner advised Peter that he had received SDA funding, but on the basis that two people – both NDIS participants – resided in the apartment. This meant a reduction of 50% in Peter's funding. The housing provider then withdrew their accommodation offer.

When the advocate contacted the NDIS planner about the reason for the SDA funding rate decision, the response was that it was because one of Peter's goals in his NDIS plan was to live with his partner, Lisa. The advocate explained that the accommodation Peter had been offered was very clear

about Lisa not being permitted to live with him at the apartment. Apart from an institutional setting, Peter was unlikely to find accommodation that would meet his support needs and the rare offer of an independent unit with on-site supports was now in jeopardy because of the NDIS decision. The NDIS planner suggested that Peter could negotiate with the housing provider to accept him for tenancy with the lower rate of SDA, but the housing provider had already stipulated that they were bound by the contract with the third party investor.

The advocate submitted a Review of a Reviewable Decision to the NDIS (section 100 of the NDIS Act) with the request to review the decision to fund SDA at the 2 person shared accommodation rate. At this point, simply to get accommodation of any sort, and because eligibility for funding is directly related to a participant's goals, Peter changed one of his NDIS plan goals to that of living alone – even though this was not his genuine goal – purely to try to get funding sorted.

However, through negotiation between the NDIA and the housing provider, an agreement was finally reached to fund Peter's accommodation so that the housing provider could accommodate Peter and Lisa together. Their accommodation is under construction and they hope to be living together there in a few months.

Treasurer's Report

Audited income for the financial year 2017-18 totalled \$786,677 (\$634,211 in 2016-17) and Expenditure totalled \$781,253 (\$609,770 in 2016-17). Consequently, the organisation reported a net surplus for the 2017-18 financial year of \$5,424. In the environment of very tight funding and difficulty in establishing alternative revenue sources, this is a commendable achievement.

The Department of Social Services continues to be our largest funder (\$621,437) and we thank them for their ongoing support of the advocacy program. The department's core funding has remained static over recent years but we are fortunate to receive the necessary funding to finance the payroll indexations that apply under the SCHCADS Award. We have managed our expenditures well and are confident of meeting our outgoings in the next financial year. We continue to actively look for partnerships with other groups to improve our program quality and reach and enhance our opportunities for new funding and grants. There will be some opportunities under the new NDIS framework for

organisations, like ours, and the Board is planning for this future.

Anson Accounting were replaced as the financial auditors, due to the retirement of the Principal and ABR Partners appointed as the new auditors. Finance, Audit and Risk (FAR) sub-committee oversaw this process. While there was no in-camera session with the FAR on this occasion, nonetheless there are no unresolved audit issues. Such an audit finding is a testament to the CEO's leadership, the internal controls in place, the appropriateness of the accounting policies used, as well as the governance of Leadership Plus Inc.

The budget for the upcoming financial year demonstrates that we will deliver a small surplus with the funding which has already been committed. This budget has been prepared on a status quo basis, including DSS funding. However, we will continue to develop alternative services and alternative sources of funding, along with any opportunities to partner with organisations with complementary or matching services.

Finally, my thanks to the Board, the Management

and the staff of Leadership Plus for their efforts in regard to the organisation's financial management and the transparency of financial reporting.

Dr Marija Maher, GAICD
Treasurer

Staff 2017-2018

Geoff Southwell	Chief Executive Officer (from November 2017)
Jeff Coley	Executive Officer (to November 2017)
	Finance Manager (November 2017-September 2018)
Melanie Muir	Team Leader
Paul Hume	Individual Advocate
Giovanna Amato	Individual Advocate /Program Coordinator /Administration
Amanda Roe	Individual Advocate
Andreas Cassinides	Individual Advocate
Leigh Meyer	Individual Advocate
Bronwyn Trickett	NDIS Appeals Advocate (to May 2018)
Ashleigh Pinto	NDIS Appeals Advocate (June – October 2018)

Volunteers

Fiona Hand	Administration Volunteer
Nerida Roe	Administration Volunteer

Financial Reports

LEADERSHIP PLUS INC.
BALANCE SHEET AS AT 30 JUNE 2018

	2018	2017
	\$	\$
<u>CURRENT ASSETS</u>		
Cash at Bank	217,224	186,469
Prepayments	4,180	9,134
Security Bond Held in Trust	-	18,333
<u>TOTAL CURRENT ASSETS</u>	<u>221,404</u>	<u>213,936</u>
<u>NON CURRENT ASSETS</u>		
Motor Vehicle at cost	20,604	20,604
Accumulated Depreciation	- 20,604 -	- 20,604
Total Motor Vehicles	<u>-</u>	<u>-</u>
Furniture & Fixtures	23,245	23,245
Accumulated Depreciation	- 15,599 -	- 11,459
<u>TOTAL NON- CURRENT ASSETS</u>	<u>7,646</u>	<u>11,786</u>
<u>TOTAL ASSETS</u>	<u><u>229,050</u></u>	<u><u>225,722</u></u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Trade Creditors	1,828	18,511
Accrued Expenses	10,324	40,829
GST Liabilites	2,713 -	3,473
PAYG Withholding Payable	8,893	5,279
Superannuation Guarantee	21,661	-
Grants Received in Advance	61,775	58,098
Salary Sacrifice- Super	4,608	-
Provision for Audit Fees	6,105	5,393
Annual Leave Provisions	23,746	18,746
<u>TOTAL CURRENT LIABILITIES</u>	<u>141,653</u>	<u>143,383</u>
<u>NON CURRENT LIABILITIES</u>		
Provisions		
Long Service Leave Provisions	49,168	49,534
<u>TOTAL NON CURRENT LIABILITES</u>	<u>49,168</u>	<u>49,534</u>
<u>TOTAL LIABILITIES</u>	<u>190,821</u>	<u>192,917</u>
<u>NET ASSETS</u>	<u>38,229</u>	<u>32,805</u>
<u>EQUITY</u>		
Retained Earnings	32,805	15,806
Current Year Surplus	5,424	16,999
<u>TOTAL EQUITY</u>	<u>38,229</u>	<u>32,805</u>

LEADERSHIP PLUS INC.**Profit & Loss for the year ended 30th June 2018**

	2018	2017
	\$	\$
<u>INCOME</u>		
Funding		
NDAP	621,437	601,636
NDIS Appeals	101,400	20,402
NDIS Appeals c/over	58,098	-
Transfer DSS Surplus 2015-16	-	12,173
Total Funding	780,935	634,211
General Income		
Interest	3,462	3,146
Other Income	2,280	1,584
Total General Income	5,742	4,730
<u>TOTAL INCOME</u>	786,677	638,941
<u>EXPENSES</u>		
Payroll Costs		
Advocates wages	296,915	235,594
AL Expense	45,986	37,744
Super Expense	50,482	41,286
LSL Expense	8,771	17,213
Senior Advocate	73,977	66,230
EO Wages	90,295	72,197
Admin Wages	34,684	24,203
Workcover	9,161	6,898
Consultancy	28,277	-
Total Payroll Costs	638,548	501,365
Overheads		
Client Support	2,446	840
Rent/Overheads	40,063	16,438
Telephones	9,912	10,540
Travel	9,251	10,254
Consumables and supplies	12,146	10,359
Car lease/rego/ins/main	3,729	3,097
Printing/Promo	-	313
Forums/resources	5,688	6,859
Insurance	5,304	5,136
Audit Fees	5,166	4,984
Memberships & Subscriptions	3,678	3,519
Meeting Costs	4,080	3,619
IT Server & Supports	16,089	14,131
Financial Services & Fees	303	278
Professional Development	9,813	9,576
NDAP Standards Expenses	5,735	1,379
Depreciation	4,140	1,456
Equipment Minor	4,165	4,545
Postage and courier	402	638
Legal Fees	-	112
Other Expenses	595	333
TOTAL Overheads	142,705	108,405
<u>TOTAL EXPENSES</u>	781,253	609,770

General Overheads		
Strategic Planning	-	12,173
Total General Overheads	<u>-</u>	<u>12,173</u>
Total Expenses	781,253	621,943
Net Gain/Loss	<u>5,424</u>	<u>16,999</u>

LEADERSHIP PLUS INC.

CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2018

	2018		2017
	\$		\$
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Receipts from Customers	868,855		638,941
Payments to Suppliers and employees	- 838,100	-	527,675
Net Cash Flow From Operating Activities	<u>30,755</u>		<u>111,266</u>
Net increase (decrease) in cash held	30,755		111,266
Cash at the beginning of the year	<u>186,469</u>		<u>75,203</u>
Cash at the end of the year (note 1)	<u>217,224</u>		<u>186,469</u>

LEADERSHIP PLUS INC.
Notes to the Financial Statements
For the year ended 30th June 2018

Note 1: Statement of Significant Accounting Policies

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

Basis of Preparation

The report has been prepared in accordance with the following applicable Accounting Standards and Urgent Issues Group Interpretations:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application Standards

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historic costs.

The following is a summary of the material accounting policies adopted by the Association in the presentation of the financial reports. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluations are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

LEADERSHIP PLUS INC.
Notes to the Financial Statements
For the year ended 30th June 2018

(c) Depreciation

The depreciable amount of all fixed assets, is depreciated on a diminishing value basis over their useful lives to the Association 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 each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated carrying 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.

(d) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(e) Comparative Figures

Comparative figures have been adjusted to conform with changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy, or changes to the accounting period.

5th October 2018

Leadership Plus Inc.
Milton House
21-25 Flinders Lane
Melbourne Vic 3000

**To the appropriate representative of management or those charged
with governance of Leadership Plus Inc.:**

The objective and scope of the audit

You have requested that we audit the special purpose financial report of Leadership Plus Inc. which comprises the statement of financial position as at 30th June 2018 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 a summary of significant accounting policies, and the directors' declaration. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the special purpose 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 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 special purpose financial report.

The responsibilities of the auditor

We will conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

5th October 2018

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Milton House
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The responsibilities of the auditor

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- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

Responsibilities of management / those charged with governance

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation of the special purpose financial report that gives a true and fair view in accordance with the *Association Incorporation Reform Act 2012*;
- b) The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Association Incorporation Reform Act 2012*;
- c) For such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error; and
- d) To provide us with:
 - i. Access to all information of which the directors and management are aware that is relevant to the preparation of the special purpose financial report such as records, documentation and other matters;
 - ii. Additional information that we may request from the directors and management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
- e) We will inform you of all the documents that we expect to issue that may comprise other information for example, Committee Report;

If the other information has been provided prior to the auditor's report date:

- f) The special purpose financial report and any other information you may obtain prior to the date of your auditor's report will be consistent with one another, and the other information will not contain any material misstatements; or

If the other information will not be provided prior to the auditor's report date:

- g) With regard to any other information that we will not provide to you prior to the date of the auditor's report that we intend to prepare and issue such other information and that we expect to issue it by 25th October 2018 and will provide it to you to enable you to complete your required procedures.

As part of our audit process, we will request from management and, where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

Fees

Our fee for the audit of the special purpose financial report of Leadership Plus Inc. for the year ending 30th June 2018, is \$2,000, exclusive of GST and out-of-pocket expenses, as agreed.

This fee assumes that all accounting transactions will have been processed and we will be presented with a final trial balance / set of financial statements at commencement of the audit.

If we incur additional costs as a result of factors such as:

- information not being provided to us within agreed time limits;
- significant errors in the information that is provided;
- the scale of the business significantly changing;
- a material issue arising which was not reasonably contemplated at the time of the fee quote;

then this additional time will also be billed.

Our fees will be billed as the work progresses.

Health and safety

We are required to comply with Occupational Health and Safety legislation by taking all practical steps to ensure the health and safety of our people. Our firm's policy expects mutual responsibility for our people to ensure their own safety and that no harm is caused to others in the workplace, but the Act places responsibility for their safety on your Company when they are visitors to your site.

Other services

We are pleased to provide any additional services that may be required from time to time, provided such services do not impair our independence. We note that this engagement letter applies only to the work described in this letter. Should further work be required over and above such work, separate terms of engagement will need to be agreed. In particular, this letter does not deal with accounting advice or assistance with accounts preparation.

Reporting

We anticipate the issues of an unqualified audit report in accordance with Australian Auditing Standards, however the form and content of our report may need to be amended in the light of our audit findings.

Other matters under the Association Incorporation Reform Act 2012

Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the *Association Incorporation Reform Act 2012* in relation to the audit of the financial report. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the *Association Incorporation Reform Act 2012*, we shall notify you on a timely basis. As part of our audit process, we shall also provide you with a written independence declaration as required by the *Association Incorporation Reform Act 2012*.

The *Association Incorporation Reform Act 2012* includes specific restrictions on the employment relationships that can exist between the audited entity and its auditors. To assist us in meeting the independence requirements of the *Association Incorporation Reform Act 2012*, and to the extent permitted by law and regulation, we request you discuss with us:

- the provision of services offered to you by ABR Partners prior to engaging or accepting the service; and
- the prospective employment opportunities of any current or former partner or professional employee of ABR Partners prior to the commencement of formal employment discussions with the current or former partner or

professional employee.

Presentation of audited financial report on the internet

It is our understanding that Leadership Plus Inc. intends to publish a hard copy of the audited special purpose financial report and auditor's report for members, and to electronically present the audited special purpose financial report and auditor's report on its internet web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by the entity to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited special purpose financial information on the entity's web site is beyond the scope of the audit of the special purpose financial report. Responsibility for the electronic presentation of the special purpose financial report on the entity's web site is that of the governing body of the entity.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the special purpose financial report including our respective responsibilities.

Yours faithfully



Michael Adasko CPA – Director
ABR Partners

Acknowledged and agreed on behalf of Leadership Plus Inc. by



Chief Executive Officer

1/11/2018

Date

