

**ABLCORP FINANCE LIMITED AND ITS
CONTROLLED ENTITIES**
ABN 11 612 992 079

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

CONTENTS

	Page No.
Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Profit and Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	15
Independent Auditor's Report	16

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report on the company, together with its controlled entities, ("the consolidated group") for the financial year ended 30 June 2018

Director

The names of the Directors in office at anytime during or since the end of the financial year are:

Paul Dowling
Dean Rallison
Benjamin Whitehouse
Matthew Whitehouse

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the consolidated group is the provision of asset based lending to Small to Medium businesses.

There were no significant changes in the nature of the consolidated group's activities during the year.

Review of Operations

The profit of the consolidated group for the financial year after providing for income tax amounted to \$105,840 (2017: \$13,818) and reflects the nature of the consolidated entity's activities and financing arrangements during the year.

Dividends paid or recommended

A dividend of \$69,364 was paid to A Class Share holders (2017: \$nil) has been declared and paid since the beginning of the year.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of the normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Directors are of the opinion that the financial resources of the consolidated group can be managed, or be supplemented by access to further funding facilities, such that the consolidated entity's liabilities can be satisfied.

Significant Changes in the State of Affairs

There has been no other significant change to the consolidated group's state of affairs during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in years subsequent to 30 June 2018.

Likely Developments and Expected Results of Operations

There are no significant developments anticipated in respect of the consolidated entity's activities and operations.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental regulation under a law of the Commonwealth, State or Territory.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Options

No options were issued during the year and there are no options over unissued shares as at the end of the year.

Indemnification of Officers

During the year the company paid a premium to indemnify the Directors and officers of the company against liabilities and expenses incurred in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the consolidated entity, other than conduct involving a wilful breach of duty.

Information on Directors

<i>Director</i>	<i>Qualifications</i>	<i>Experience</i>	<i>Special responsibilities</i>
Benjamin Whitehouse CA		More than 25 years as a chartered accountant, generally with his own business.	Marketing and promotion
Paul Dowling		30 years in business lending, including at Scottish Pacific, and Viden Group	Lending interface with clients; all lending issues.
Dean Rallison	LLM	More than 25 years working for BDO, the Australian Taxation Office, and Cooper Grace Ward in taxation law.	Company secretary, maintains the share register
Matthew Whitehouse	B.Bus (Acc and IT), CCA (Citrix)	More than 20 years working in Information Technology, generally with his own business; AXLE IT	IT issues surrounding the lending platform and phone App

Meetings of Directors

During the year there were 2 meetings of Directors held. Attendances were as follows:

<i>Director</i>	<i>Meetings held whilst a Director</i>	<i>Meetings attended</i>
Benjamin Whitehouse	2	2
Paul Dowling	2	2
Dean Rallison	2	2
Matthew Whitehouse	2	2

Company secretary

Mr Paul Dowling was appointed Company Secretary on 14th June 2016.

Proceedings on Behalf of Company

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

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Auditor's Independence Declaration

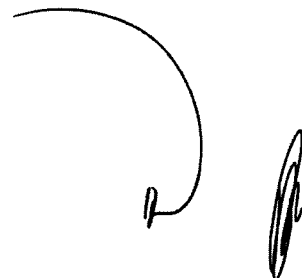
Section 307C of the *Corporations Act 2001* requires the company's auditor to provide the Directors with a written independence declaration in relation to the audit of the financial report for the year ended 30 June 2018.

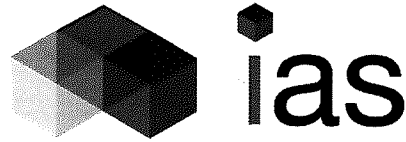
The Auditor's Independence Declaration is included on page 4 and forms part of this Directors' Report.

Director

Brisbane, this

2018

A handwritten signature in black ink, consisting of a large, sweeping curve followed by a smaller, more complex scribble.



Integrated AUDIT Service

Success through people, knowledge and understanding

Directors:
Mr Bevin Schafferius CA

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ABLCORP FINANCE LTD

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as auditor for the audit of ABLCorp Finance Ltd and its controlled entities for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

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

Bevin Schafferius CA
Director
Registered Auditor (No. 479033)
Registered Audit Company (No. 342 577)

Fortitude Valley, 23 January 2019



ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
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**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Jun-18 \$	Jun-17 \$
Revenue	2	197,453	33,833
Administration costs		(11,006)	(2,759)
Advertising		(2,500)	-
Borrowing cost		(733)	(726)
Depreciation and amortisation		(21,522)	-
Interest		(5,361)	(3,375)
Legal Fees		(6,137)	(14,933)
Profit before income tax		<u>150,195</u>	<u>12,040</u>
Income tax benefit (expense)	3	(44,354)	1,778
Profit after income tax		<u>105,840</u>	<u>13,818</u>
Other comprehensive income items			
Total other comprehensive income attributable to the members of the company		-	-
Total comprehensive income attributable to the members of the company		<u><u>105,840</u></u>	<u><u>13,818</u></u>

The accompanying notes form part of these financial statements.



ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Jun-18 \$	Jun-17 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	754,992	45,629
Trade and other receivables	5	765,804	131,654
TOTAL CURRENT ASSETS		<u>1,520,796</u>	<u>177,283</u>
NON-CURRENT ASSETS			
Shares - Emprest Leasing Pty Ltd		8	8
Intangibles	6	86,088	102,034
TOTAL NON-CURRENT ASSETS		<u>86,096</u>	<u>102,042</u>
TOTAL ASSETS		<u>1,606,892</u>	<u>279,325</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	14,580	15,602
Provision for GST		6,724	114
Current tax liability	8	44,354	(1,779)
Borrowings	9	1,314	91,553
TOTAL CURRENT LIABILITIES		<u>66,973</u>	<u>105,490</u>
TOTAL LIABILITIES		<u>66,973</u>	<u>105,490</u>
NET ASSETS		<u>1,539,919</u>	<u>173,835</u>
EQUITY			
Contributed equity	10	1,489,625	160,017
Retained profits		50,294	13,818
TOTAL EQUITY		<u>1,539,919</u>	<u>173,835</u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Contributed equity \$	Retained Profits \$	Total \$
Balance at 1 July 2016		-	-	-
Comprehensive income				
Profit for the year			13,818	13,818
Other comprehensive income				-
Total comprehensive income for the year attributable to members of the company			<u>13,818</u>	<u>13,818</u>
Contributed equity issued		160,017		160,017
Dividend paid			-	-
Balance at 30 June 2017	10	<u>160,017</u>	<u>13,818</u>	<u>173,835</u>
Balance at 1 July 2017		160,017	13,818	173,835
Comprehensive income				
Profit for the year			105,840	105,840
Other comprehensive income				-
Total comprehensive income for the year attributable to members of the company			<u>105,840</u>	<u>105,840</u>
Contributed equity issued		1,329,608	-	1,329,608
Dividend paid			(69,364)	(69,364)
Balance at 30 June 2018	10	<u>1,489,625</u>	<u>50,294</u>	<u>1,539,919</u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Jun-18 \$	Jun-17 \$
Cash flows from operating activities			
Receipts from customers		202,086	26,319
Payments to employees and suppliers		(25,336)	(2,702)
Interest paid		(5,361)	(3,375)
Income tax paid/refund received		1,779	-
Net cash provided by/(used in) operating activities	11	<u>173,168</u>	<u>20,242</u>
Cash flows from investing activities			
Payments for customer loans		(638,783)	(124,137)
Payments for set up costs		(5,576)	(102,034)
Net cash provided by/(used in) investing activities		<u>(644,359)</u>	<u>(226,171)</u>
Cash flows from financing activities			
Proceeds from borrowing		-	91,553
Repayment of borrowings		(91,553)	-
Proceeds from issue of share capital		1,329,620	160,005
Dividends paid		(57,513)	-
Net cash provided by financing activities		<u>1,180,554</u>	<u>251,558</u>
Net increase (decrease) in cash held		709,363	45,629
Cash and cash equivalents at beginning of financial period		<u>45,629</u>	<u>-</u>
Cash and cash equivalents at end of financial period	4	<u><u>754,992</u></u>	<u><u>45,629</u></u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report includes the consolidated financial statements and notes of ABLCORP Finance Limited and its controlled entities ('Group'). The Group has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. ABLCorp Finance Ltd is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements have been prepared on an accruals basis and is based on historical costs, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The principle accounting policies adopted in the preparation of the financial report are set out below.

Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(a) Revenue and Other Income

Management Fees represent the fair value of the consideration received or receivable when the service is provided.

All revenue is stated net of the amounts of goods and services tax, and similar taxes.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Expenditure

Expenses represent liabilities for goods and services provided to the consolidated entity and are recognised upon incurrence of the liability.

Loan establishment costs, being broker fees and Government fees and charges, paid to third parties on behalf of borrowers are expensed at the time of the disbursement of the loan.

Borrowing costs are expensed as incurred over the term of the borrowing facility.

(c) Income Tax

Tax expense recognised in profit or loss comprises the current tax recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(e) Active loans

Active loans are recorded at the face value of the loans payable and recognised in accordance with the terms of the loans. The collectability of loans is reviewed on an ongoing basis. Loans which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(f) Trade and Other Receivables

Trade and other receivables are recognised at the amounts receivable as they are due for settlement within 60 days. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(g) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Intangibles

App development & Set up costs

The cost of developing the App & Costs associated with the group set up including legal and Information Memorandum has been capitalised as an intangible and amortised on a straight line basis over a period of 5 years.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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.

(l) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

(n) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Key estimates - impairment of intangibles

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Jun-18 \$	Jun-17 \$
2. REVENUE AND OTHER INCOME		
The Group's revenue is analysed as follows for each major service category.		
Management Fees	142,876	26,598
Interest	35,919	1,676
Legal Fee Reimbursement	18,658	5,559
	<u>197,453</u>	<u>33,833</u>
3. INCOME TAX EXPENSE		
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of ABLCorp Finance Ltd at 27.5% (2017: 30%) and the reported tax expense in profit and loss are as follows:		
Profit before tax	150,195	12,040
Domestic tax rate for ABL Corp Finance Ltd	27.5%	30%
Expected tax expense	41,304	3,612
Timing differences	3,050	(1,834)
	<u>44,354</u>	<u>1,778</u>
4. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of the following:		
Cash at bank	754,992	45,629
	<u>754,992</u>	<u>45,629</u>
5. TRADE AND OTHER RECEIVABLES		
Trade and other receivables consist of the following:		
<i>Current</i>		
Active loans	762,920	124,137
	762,920	124,137
Trade Debtors	2,884	7,517
	<u>765,804</u>	<u>131,654</u>

The net carrying value of active loans is considered a reasonable approximation of fair value.

6. INTANGIBLES			
Details of the Group's intangible assets and their carrying amounts are as follows:			
	App	Set Up Costs	Total
<i>Gross carrying amounts:</i>			
Balance 1 July 2016			
Additions	40,000	62,034	102,034
Balance 30 June 2017	<u>40,000</u>	<u>62,034</u>	<u>102,034</u>
Balance 1 July 2017	40,000	62,034	102,034
Additions	4,218	1,358	5,576
Amortisation	(8,845)	(12,677)	(21,522)
Balance 30 June 2018	<u>35,373</u>	<u>50,715</u>	<u>86,088</u>
<i>Carrying amount 30 June 2018</i>	<u>35,373</u>	<u>50,715</u>	<u>86,088</u>

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Jun-18 \$	Jun-17 \$
7. TRADE AND OTHER PAYABLES		
Trade creditors	583	10,613
Dividends Payable - A Class Shares	11,851	-
Loan - Emprest Leasing Pty Ltd	2,146	4,989
	<u>14,580</u>	<u>15,602</u>
8. CURRENT TAX LIABILITIES		
Income tax payable	<u>44,354</u>	<u>(1,779)</u>
9. BORROWINGS		
Loan payable to directors	-	91,553
Interest accrual	1,314	-
	<u>1,314</u>	<u>91,553</u>
10. CONTRIBUTED EQUITY		
Contributed equity	<u>1,489,625</u>	<u>160,017</u>

Movement in ordinary share capital

	No. of shares	\$
Balance - 30 June 2016	-	-
Shares issue	17	17
Balance 30 June 2017	<u>17</u>	<u>17</u>
Share issue	1,999,983	154,608
Balance 30 June 2018	<u>2,000,000</u>	<u>154,625</u>

Ordinary shares:

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company and any surplus assets or profits of the company equally with all other members having similar rights. Holders of ordinary shares have the right to attend and vote at all meetings of the company. The holder has the right to cast one vote upon a show of hands and upon a poll to cast one vote for each share held.

Capital management:

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.



ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Jun-18 \$	Jun-17 \$
10. CONTRIBUTED EQUITY - (cont'd)		
<i>Movement in A Class share capital</i>		
	<i>Number of shares</i>	<i>\$</i>
Balance - 1st Jul 2016	-	-
Shares issue	160,000	160,000
Balance 30 June 2017	<u>160,000</u>	<u>160,000</u>
Share issue	1,175,000	1,175,000
Balance 30 June 2018	<u><u>1,335,000</u></u>	<u><u>1,335,000</u></u>
<i>A Class shares</i>		
The holders of A Class shares have no right to vote at any meetings of the company. They have income rights to all capital and interest paid by the company in proportion to the total shares on issue and time held.		
11. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit		
Profit after income tax	105,840	13,818
<i>Non-cash flows in profit:</i>		
Depreciation and amortisation	21,522	-
<i>Changes in Assets and Liabilities:</i>		
(Increase) decrease in trade and other receivables	4,633	(7,517)
Increase (decrease) in trade and other payables	(4,960)	15,719
Increase/(decrease) in income tax payable	46,133	(1,778)
Net cash provided by operating activities	<u><u>173,168</u></u>	<u><u>20,242</u></u>

12. COMPANY DETAILS

The registered office and principal place of business of the company is:
22 Mayneview Street
MILTON QLD 4064

ABLCORP FINANCE LIMITED AND ITS CONTROLLED ENTITIES
ABN 11 612 992 079


DIRECTORS' DECLARATION

In the opinion of the Directors of ABLCORP FINANCE Limited:

1. The consolidated financial statements and notes of ABLCORP FINANCE Limited are in accordance with the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that ABLCORP FINANCE Limited will be able to pay its debts as and when they become due and payable.

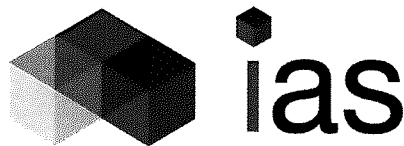
This statement is made in accordance with a resolution of the Board of Directors.



Paul Dowling

Ben Whitehouse

Milton, January 2019



Integrated AUDIT Service

Success through people, knowledge and understanding

Directors:
Mr Bevin Schafferius CA

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ABLCORP FINANCE LTD**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ABLCorp Finance Limited and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements (RDR) and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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FORTITUDE VALLEY Q 4006

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PO Box 846
NEW FARM Q 4005



**Chartered
Accountants**

NUMBER ONE IN NUMBERS

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Phone (07) 3252 7399
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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibility 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 in accordance with Australian Accounting Standards - RDR and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

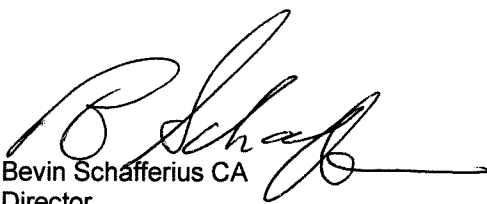
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' 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 Group'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 Group 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Bevin Schafferius CA
Director
Registered Auditor (No. 479033)
Registered Audit Company (No. 342 577)

Fortitude Valley, 23 January 2019