

**ABLCORP FINANCE LTD AND ITS
CONTROLLED ENTITIES**

ABN 11 612 992 079

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

ABLCORP FINANCE LTD
11 612 992 079

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ABLCORP FINANCE LTD

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 2020.

Director

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

Ben Whitehouse
Paul Dowling
Dean Rallison
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 entity is the provision of asset based lending to Small to Medium Businesses.

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$675,567 (2019: \$234,288) and reflects the nature of the consolidated entity's activities and financing arrangements during the year.

Dividends paid or recommended

A dividend of \$412,765 paid to A Class Share holders (2019: \$171,055) has been recommended, 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 entity 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 entity'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 2020.

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.

Options

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

ABLCORP FINANCE LTD

DIRECTORS' REPORT

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>
Ben 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>
Ben Whitehouse	2	2
Paul Dowling	2	2
Dean Rallison	2	2
Matthew Whiteho	2	2

Company secretary

Dean Rallison was appointed Company Secretary on 8th October 2019.

ABLCORP FINANCE LTD

DIRECTORS' REPORT

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 entity or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the consolidated entity with leave of the Court under section 237 of the *Corporations Act 2001*.

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 2020. The Auditor's Independence Declaration is attached and forms part of this Directors' Report.



Director

Brisbane, this 25th Day of November 2020

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 2020, 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, 25 November 2020

ABLCORP FINANCE LTD
11 612 992 079

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Jun-20 \$	Jun-19 \$
Revenue	2	1,214,197	613,922
Administration costs	3	(273,393)	(75,532)
Advertising		-	(2,200)
Audit Fee		(5,100)	(4,750)
Depreciation and amortisation		(21,522)	(21,522)
Legal Fees		(80,426)	(70,138)
Loss Provision		(42,416)	(135,708)
Profit before income tax		<u>791,339</u>	<u>304,072</u>
Income tax benefit (expense)	4	(115,773)	(69,784)
Profit after income tax		<u>675,567</u>	<u>234,288</u>
Other comprehensive income items		<u> </u>	<u> </u>
Total other comprehensive income attributable to the members of the company		<u>-</u>	<u>-</u>
Total comprehensive income attributable to the members of the company		<u><u>675,567</u></u>	<u><u>234,288</u></u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LTD
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Jun-20 \$	Jun-19 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	760,712	854,192
Trade and other receivables	6	4,300,745	2,717,813
TOTAL CURRENT ASSETS		<u>5,061,456</u>	<u>3,572,005</u>
NON-CURRENT ASSETS			
Intangibles	7	43,044	64,574
TOTAL NON-CURRENT ASSETS		<u>43,044</u>	<u>64,574</u>
TOTAL ASSETS		<u><u>5,104,501</u></u>	<u><u>3,636,579</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	45,526	58,861
Provision for GST and PAYGI		71,719	5,339
Current tax liability	9	34,067	68,284
Other liabilities	10	178,125	135,708
TOTAL CURRENT LIABILITIES		<u>329,437</u>	<u>268,192</u>
TOTAL LIABILITIES		<u><u>329,437</u></u>	<u><u>268,192</u></u>
NET ASSETS		<u><u>4,775,064</u></u>	<u><u>3,368,387</u></u>
EQUITY			
Contributed equity -Ord Shares	11	494,625	494,625
Contributed equity - A Class Shares	12	3,900,000	2,756,117
Reserves		-	-
Retained profits		380,439	117,645
TOTAL EQUITY		<u><u>4,775,064</u></u>	<u><u>3,368,387</u></u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Contributed equity	Reserves	Retained Profits	Total
	\$	\$	\$	\$
Balance as at 1 July 2018	1,489,625	-	50,294	1,539,919
Comprehensive income				
Profit for the year	-	-	234,288	234,288
Other comprehensive income (rounding)	-	-	2	2
Total comprehensive income for the year attributable to members of the company	-	-	234,290	1,774,209
Contributed equity issued	1,961,117	-	-	1,961,117
Equity repaid	(200,000)	-	-	(200,000)
Dividend paid	-	-	(171,054)	(171,054)
Tax timing difference	-	-	4,115	-
Balance as at 30 June 2019	<u>3,250,742</u>	<u>-</u>	<u>117,645</u>	<u>3,368,387</u>
Balance as as 01 July 2019	3,250,742	-	117,645	3,368,387
Comprehensive income				
Profit for the year	-	-	675,567	675,567
Other comprehensive income (rounding)	-	-	-	-
Rounding off differences	-	-	-	(7)
Total comprehensive income for the year attributable to members of the company	<u>3,250,742</u>	<u>-</u>	<u>793,212</u>	<u>4,043,947</u>
Contributed equity issued	1,143,883	-	-	1,143,883
Equity repaid	-	-	-	-
Dividend paid	-	-	(412,765)	(412,765)
	-	-	-	-
Balance as at 30 June 2020	<u>4,394,625</u>	<u>-</u>	<u>380,447</u>	<u>4,775,064</u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LTD
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Jun-20 \$	Jun-19 \$
Cash flows from operating activities			
Receipts from customers		1,041,916	527,511
Payments to employees and suppliers		(305,874)	(107,996)
Interest received		172,281	87,910
Interest paid		-	-
Income tax paid		(149,990)	(41,258)
Net cash provided by (used in) operating activities	11	<u>758,333</u>	<u>466,167</u>
Cash flows from investing activities			
Proceeds from sale of investments		-	8
Payments for customer loans		(1,582,932)	(1,957,039)
Payments for set up costs		-	-
Proceeds		-	-
Net cash provided by (used in) investing activities		<u>(1,582,932)</u>	<u>(1,957,031)</u>
Cash flows from financing activities			
Repayment of borrowings			
Issue of share capital		1,143,883	1,761,117
Dividend paid		(412,765)	(171,055)
Net cash provided by financing activities		<u>731,118</u>	<u>1,590,062</u>
Net increase (decrease) in cash held		(93,480)	99,200
Effects of functional currency exchange rate		-	-
Cash and cash equivalents at beginning of financial period		<u>854,192</u>	<u>754,992</u>
Cash and cash equivalents at end of financial period	4	<u><u>760,712</u></u>	<u><u>854,192</u></u>

The accompanying notes form part of these financial statements.

ABLCORP FINANCE LTD

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report includes the consolidated financial statements and notes of ABLCORP FINANCE Ltd and its controlled entities ('Group'). The company 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*. ABL Corp 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 2020. 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.

Revenue and Other Income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

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.

Impairment of Assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by 5% of total exposure to customers to ensure that costs to recover funds are provided for in the accounts.

The amount of the impairment is recorded in a separate provision account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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 equivalent to 5% of total exposure to customers will result should liquidation costs need to be covered and that outflow can be reliably measured.

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.

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.

Issued Capital

Ordinary shares are classified as equity.

Comparative Figures

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

	Jun-20 \$	Jun-19 \$
2. REVENUE AND OTHER INCOME		
The Group's revenue is analysed as follows for each major service category.		
Management Fees	1,040,070	507,404
Interest	172,281	87,910
Legal Fee Reimbursement	-	18,608
Other income	1,846	-
	<u>1,214,197</u>	<u>613,922</u>
3. ADMINISTRATION COSTS		
Bookkeeping fees	177,905	21,957
Commission and fee	29,941	14,653
Dues and Subscription	11,043	4,083
IT security - clients	22,596	968
Valuation fees	1,500	7,822
Software expenses	24,369	13,491
Other expenses	6,039	12,557
	<u>273,393</u>	<u>75,532</u>
4. INCOME TAX EXPENSE		
	Jun-20 \$	Jun-19 \$
(a) The major components of tax expense (income) comprise:		
Current tax expenses	115,773	69,784
Total Income Tax expense	<u>115,773</u>	<u>69,784</u>
(b) Reconciliation of income to accounting profit:		
Profit	791,339	304,072
Tax	27.5%	27.5%
	<u>217,618</u>	<u>83,620</u>
	Jun-20 \$	Jun-19 \$
Add: Tax effect of changes in temporary differences	11,665	-
Expected tax expense	<u>11,665</u>	<u>83,620</u>
Less: Tax effect of; prior year tax adjustment	-	4,115
Deductible expenses changes in temporary differences	113,510	9,721
Income Tax attributable to parent entity	<u>115,773</u>	<u>69,784</u>
Actual tax expense	<u>115,773</u>	<u>69,784</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist the following:

Cash at bank	760,712	854,192
	<u>760,712</u>	<u>854,192</u>
	Jun-20	Jun-19
	\$	\$

6. TRADE AND OTHER RECEIVABLES

Trade and other receivable consist of the following:

Current

Active loans	4,300,745	2,714,149
	<u>4,300,745</u>	<u>2,714,149</u>
Trade Debtors	-	3,664
	<u>4,300,745</u>	<u>2,717,813</u>

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

7. 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 01 July 2018	35,373	50,715	86,088
Amortisation	(8,845)	(12,677)	(21,522)
Balance 30 June 2019	26,528	38,038	64,566
<i>Carrying amount 30 June 2019</i>	<u>26,528</u>	<u>38,038</u>	<u>64,566</u>
Amortisation	(8,838)	(12,684)	(21,522)
Balance 30 June 2020	17,690	25,354	43,044
<i>Carrying amount 30 June 2020</i>	<u>17,690</u>	<u>25,354</u>	<u>43,044</u>
	Jun-20	Jun-19	
	\$	\$	

8. TRADE AND OTHER PAYABLES

Trade creditors	6,526	36,634
Dividends Payable -A Class Shares	39,000	22,227
	<u>-</u>	<u>-</u>
	<u>45,526</u>	<u>58,861</u>

9. CURRENT TAX LIABILITIES

Income tax payable	34,067	68,284
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10. OTHER LIABILITIES

Unrealised Loss Provision	178,125	135,708
Add Interest Accrual	-	-
	<u>178,125</u>	<u>135,708</u>

11.

Issued Capital

494,625 (2019: 494,625) Ordinary Shares	494,625	494,625
3,900,000 (2019: 2,756,117) Type A Shares	3,900,000	2,756,117
	<u>4,394,625</u>	<u>3,250,742</u>

	Jun-20	Jun-19
	No.	No.
<i>(a) Ordinary shares</i>		
<i>At the beginning of the reporting period</i>	494,625	154,625
<i>Shares issued during the year</i>	-	340,000
<i>At the beginning of the reporting period</i>	<u>494,625</u>	<u>494,625</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote

The Company does not have authorised capital or par value in respect of its shares

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 to 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

	Jun-20	Jun-19
	No.	No.
<i>(b) A Class Shares</i>		
<i>At the beginning of the reporting period</i>	2,756,117	1,335,000
<i>Shares issued during the year</i>	1,143,883	1,421,117
<i>At the beginning of the reporting period</i>	<u>3,900,000</u>	<u>2,756,117</u>

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.

	Jun-20	Jun-19
	\$	\$
11. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit		
Profit after income tax	675,567	234,288
Non-cash flows in profit:		
Depreciation and amortisation	21,522	21,522
Prior year timing difference	42,416	135,708
Changes in Assets and Liabilities:		
(Increase)/ decrease in trade and other receivables	-	-
(Increase)/decrease in trade and other payables	53,046	38,277
(Increase)/ decrease in Income tax payable	(34,217)	36,372
	<u>758,333</u>	<u>466,167</u>

- 12.** The registered office and principal place of business of the company is: 22 Mayneview Street Milton QLD 4064 756817

ABLCORP FINANCE LTD
11 612 992 079

DIRECTORS' DECLARATION

In the opinion of the Directors of ABLCORP FINANCE Ltd:

1. The consolidated financial statements and notes of ABLCORP FINANCE Ltd are in accordance with the *Corporations Act 2001*, including:
 - (a) Giving a true and fair view of its financial position as at 30 June 2020 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 ABL CORP FINANCE Ltd 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

22 Mayneview Street
Milton Qld 4064



Integrated **AUDIT** Service

Success through people, knowledge and understanding

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 2020, 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 2020 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 2020, but does not include the financial report and our auditor's report thereon.

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, 25 November 2020