

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Financial Statements

For the Period Ended 31 December 2019

Credit Clear Pty Ltd & Controlled Entities

ABN: 65 623 488 291

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For the Period Ended 31 December 2019

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Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Directors' Report 31 December 2019

The directors submit the financial report of the the Company for the period ended 31 December 2019.

1. General information

Information on directors

The names of each person who has been a director during the period and to the date of this report are:
James Francis Devonish

Principal activities

The principal activity of Oakbridge Lawyers Pty Ltd during the financial period was commercial litigation services.

No significant changes in the nature of the Company's activity occurred during the financial period.

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (26,551) (31/12/2018: \$ (74,209) loss).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Review of operations

A review of the operations of the Company during the financial period and the results of those operations show the company engaged in its principal activity, the results of which are disclosed in the attached financial report.

Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

On 01 December 2019, Credit Clear Pty Ltd entered into a business and share sale agreement to acquire the business of Credit Solutions Pty Ltd & controlled entities (Credit Solutions Group), in addition to obtaining a 100% interest in Oakbridge Lawyers Pty Ltd. This resulted in Credit Clear Pty Ltd acquiring the assets and assumed liabilities of Credit Solutions Group in addition to obtaining control of Oakbridge Lawyers Pty Ltd.

Oakbridge Lawyers Pty Ltd

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Directors' Report

31 December 2019

Other items

Events after the reporting date

On 11 March 2020, the World Health Organisation announced that COVID-19, also known as coronavirus, was now a pandemic. As the virus affects general economic activity there is likely to be an impact on the Company. However, at this time the Directors are unable to quantify the financial impact on the Company due to the uncertainties surrounding the pandemic and the impact it may have on the world and local economies.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the period ended 31 December 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Dated this 23rd day of June 2020

MOORE STEPHENS

Moore Stephens Audit (Vic)

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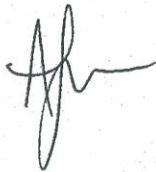
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OAKBRIDGE LAWYERS PTY LTD**

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2019, there have been:

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



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

23 June 2020

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 31 December 2019

	31 December 2019	31 December 2018
		Unaudited
	\$	\$
Sales revenue	3 981,573	639,235
Cost of sales	(282,456)	(69,702)
Gross profit	699,117	569,533
Consulting and professional fees	(61,117)	(33,275)
Occupancy costs	(65,667)	(59,702)
Employee expenses	(310,534)	(259,804)
Depreciation expense	(2,096)	(1,253)
Other expenses	(283,194)	(289,600)
Finance expenses	(3,060)	(108)
Loss before income tax	(26,551)	(74,209)
Income tax expense	-	-
Loss for the period	(26,551)	(74,209)
Other comprehensive income, net of income tax		
Total comprehensive income for the year	(26,551)	(74,209)

The accompanying notes form part of these financial statements.

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Financial Position
As At 31 December 2019

		31 December 2019	30 June 2019
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	351,686	36,320
Trade and other receivables	5	146,407	205,524
Other financial assets		63,453	30,515
TOTAL CURRENT ASSETS		561,546	272,359
NON-CURRENT ASSETS			
Property, plant and equipment		5,686	-
TOTAL NON-CURRENT ASSETS		5,686	-
TOTAL ASSETS		567,232	272,359
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	462,451	367,324
Borrowings		7,135	15,824
Employee benefits		19,589	46,071
Other liabilities	7	262,585	8,341
TOTAL CURRENT LIABILITIES		751,760	437,560
NON-CURRENT LIABILITIES			
Employee benefits		8,697	1,473
TOTAL NON-CURRENT LIABILITIES		8,697	1,473
TOTAL LIABILITIES		760,457	439,033
NET ASSETS		(193,225)	(166,674)
EQUITY			
Issued capital	8	10	10
Retained earnings		(193,235)	(166,684)
TOTAL EQUITY		(193,225)	(166,674)

The accompanying notes form part of these financial statements.

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Changes in Equity
For the Period Ended 31 December 2019

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2019	10	(166,684)	(166,674)
Loss attributable to members of the entity	-	(26,551)	(26,551)
Balance at 31 December 2019	10	(193,235)	(193,225)

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2018	10	(77,369)	(77,359)
Loss attributable to members of the entity	-	(74,209)	(74,209)
Balance at 31 December 2018 - Unaudited	10	(151,578)	(151,568)

The accompanying notes form part of these financial statements.

Oakbridge Lawyers Pty Ltd

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Statement of Cash Flows
For the Period Ended 31 December 2019

	31 December 2019	31 December 2018
	\$	Unaudited \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,431,926	906,341
Payments to suppliers and employees	(1,351,273)	(885,873)
Interest paid	(3,060)	(108)
Net cash provided by/(used in) operating activities	10 <u>77,593</u>	<u>20,360</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(7,782)</u>	(1,253)
Net cash provided by/(used in) investing activities	<u>(7,782)</u>	<u>(1,253)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of borrowings	<u>(8,689)</u>	-
Net cash provided by/(used in) financing activities	<u>(8,689)</u>	-
Net increase/(decrease) in cash and cash equivalents held	61,122	19,107
Cash and cash equivalents at beginning of year	<u>27,979</u>	7,433
Cash and cash equivalents at end of the period	4 <u><u>89,101</u></u>	<u><u>26,540</u></u>

The accompanying notes form part of these financial statements.

Oakbridge Lawyers Pty Ltd

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Notes to the Financial Statements For the Period Ended 31 December 2019

The financial report covers Oakbridge Lawyers Pty Ltd as an individual entity. Oakbridge Lawyers Pty Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Oakbridge Lawyers Pty Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2019 have been prepared for inclusion in prospectus documents associated with a proposed initial public offering.

This interim financial report does not contain information that represents relatively insignificant changes occurring during the half-year within the Company or all notes of the type normally included with the annual financial statements. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019 together with any public announcements made during the interim reporting period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Oakbridge Lawyers Pty Ltd

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Notes to the Financial Statements For the Period Ended 31 December 2019

3 Revenue and Other Income

	31 December 2019	31 December 2018 Unaudited
	\$	\$
Revenue from contracts with customers		
- Solicitors fees	923,263	591,702
- Field services	17,509	45,916
- Other income	40,801	1,617
Total Revenue	981,573	639,235

4 Cash and Cash Equivalents

	31 December 2019	30 June 2019
	\$	\$
Cash at bank and in hand	89,101	27,979
Trust Funds Held	262,585	8,341
	351,686	36,320

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	31 December 2019	30 June 2019
	\$	\$
Cash and cash equivalents	351,686	36,320
Trust Funds Held	(262,585)	(8,341)
Balance as per statement of cash flows	89,101	27,979

5 Trade and Other Receivables

	31 December 2019	30 June 2019
	\$	\$
CURRENT		
Trade receivables	142,364	205,524
Sundry receivables	4,043	-
Total current trade and other receivables	146,407	205,524

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Oakbridge Lawyers Pty Ltd

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Notes to the Financial Statements For the Period Ended 31 December 2019

6 Trade and Other Payables

	31 December 2019	30 June 2019
	\$	\$
CURRENT		
Trade payables	191,493	233,369
GST payable	17,718	18,367
Sundry payables and accrued expenses	231,342	84,347
Related party payables	(a) 21,898	31,241
	<u>462,451</u>	<u>367,324</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

a) Related party payables: These payables are for services provided by companies within the Credit Solutions Group. There is no agreed terms, conditions, interest or security attached to these balances.

7 Other Liabilities

	31 December 2019	30 June 2019
	\$	\$
CURRENT		
Trust fund liability	262,585	8,341
	<u>262,585</u>	<u>8,341</u>

The Company holds funds on trust as a part of the debt collection services. The company holds a separate trust bank account and raises a liability equal to the balance of the trust account, representing that the funds are held in trust and that they are payable to various customers.

8 Issued Capital

	31 December 2019	30 June 2019
	\$	\$
10 (2019: 10) Ordinary shares	10	10

(a) Ordinary shares

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.

Oakbridge Lawyers Pty Ltd

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Notes to the Financial Statements For the Period Ended 31 December 2019

9 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (30 June 2019: None).

10 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	31 December 2019	31 December 2018
	\$	\$
Loss for the year	(26,551)	(74,209)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	2,096	1,253
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	59,117	40,435
- (increase)/decrease in other assets	(32,938)	(45,292)
- increase/(decrease) in trade and other payables	95,127	87,221
- increase/(decrease) in provisions	(19,258)	10,952
Cashflows from operations	<u>77,593</u>	<u>20,360</u>

11 Events Occurring After the Reporting Date

On 11 March 2020, the World Health Organisation announced that COVID-19, also known as coronavirus, was now a pandemic. As the virus affects general economic activity there is likely to be an impact on the Company. However, at this time the Directors are unable to quantify the financial impact on the Company due to the uncertainties surrounding the pandemic and the impact it may have on the world and local economies.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

12 Statutory Information

The principal place of business of the company is:
Oakbridge Lawyers Pty Ltd
Unit 5
245 Fullarton Road
Eastwood SA 5063

Oakbridge Lawyers Pty Ltd

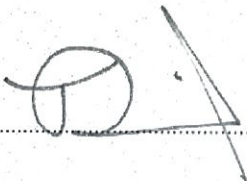
ABN: 65 623 488 291

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director 

Dated this 23rd day of June 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OAKBRIDGE LAWYERS PTY LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Oakbridge Lawyers Pty Ltd (**the company**), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

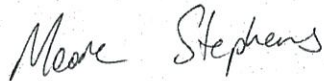
- a. giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

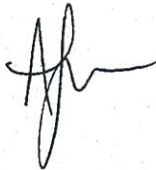
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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 provided to the directors as at the time of this auditor's review report.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

23 June 2020