Camplify (Co) Australia Pty Limited

Financial Statements

For the Year Ended 30 June 2019

Camplify (Co) Australia Pty Limited

Contents

For the Year Ended 30 June 2019

Directors' Report
30 June 2019

The directors present their report, together with the financial statements of the Company, being the Group and its controlled entities, for the financial year ended 30 June 2019.

General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Trent Bagnall	
Justin Hales	
Paul Hankinson	
Stephanie Hinds	
Karl Trouchet	(appointed 10 May 2019)
Alan Tang	(resigned 3 May 2019)

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 activities of the Group during the financial year was to provide peer-to-peer van sharing services.

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

Operating results

The consolidated loss of the Group amounted to $(1,635,124).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Likely developments in the operations of the Group 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 Group.

Indemnification and insurance of officers and auditors

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally reliable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Camplify (Co) Australia Pty Limited

Directors' Report
30 June 2019

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 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: Karl Trouchet .... Director: Stephanie Hinds ....

Dated 30 March 2021

Campliy (Co) Australia Pty Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Camplify (Co) Australia Pty Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.

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M Matthews

MARTIN MATTHEWS
PARTNER

30 MARCH 2021
NEWCASTLE, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 $
Revenue	4	1,637,344
Other income	4	232,630
Cost of goods sold		(475,325)
Employee benefits expense		(1,310,929)
Marketing expense		(655,815)
Operational expenses		(325,249)
Other expenses		(364,438)
Depreciation expense		(29,380)
Administration expenses		(166,554)
Finance costs		(177,408)
Loss before income tax		(1,635,124)
Income tax benefit		-
Loss for the year		(1,635,124)
Total comprehensive income for the year		(1,635,124)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2019

	Note	2019 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5	1,199,516
Trade and other receivables	6	1,447,070
Other financial assets		4,000,000
Other assets	9	17,287
TOTAL CURRENT ASSETS		6,663,873
NON-CURRENT ASSETS		
Property, plant and equipment	7	18,070
Intangible assets	8	186,706
Other assets	9	7,895
TOTAL NON-CURRENT ASSETS		212,671
TOTAL ASSETS		6,876,544
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10	2,171,005
Employee benefits	12	137,155
Other financial liabilities	11	263,215
TOTAL CURRENT LIABILITIES		2,571,375
NON-CURRENT LIABILITIES		
Employee benefits	12	17,699
TOTAL NON-CURRENT LIABILITIES		17,699
TOTAL LIABILITIES		2,589,074
NET ASSETS		4,287,470
EQUITY		
Issued capital	13	7,798,600
Reserves		(584)
Accumulated losses		(3,510,546)
TOTAL EQUITY		4,287,470

Camplify (Co) Australia Pty Limited

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Ordinary Shares	Convertible Preference Shares	Accumulated Losses	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2018	**2,598,600**	**5,200,000**	**(1,875,422)**	**-**	**5,923,178**
Loss attributable to members of the parent entity			**(1,635,124)**		**(1,635,124)**
Movement in foreign currency translation reserve	-	-	-	(584)	(584)
Balance at 30 June 2019	2,598,600	5,200,000	(3,510,546)	(584)	4,287,470

The accompanying notes form part of these financial statements.

Camplify (Co) Australia Pty Limited

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers		1,486,901
Payments to suppliers and employees		(2,214,337)
Interest received		2,401
Interest paid		(1,013)
Net cash used in operating activities	**15**	(726,048)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment		(15,967)
Proceeds from (investment in) term deposit		(3,490,057)
Acquisition of intangible assets		(22,859)
Net cash provided by (used in) investing activities		(3,528,883)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from equity raised		5,200,000
Net cash (used in) provided by financing activities		5,200,000
Net increase in cash and cash equivalents held		945,069
Cash and cash equivalents at beginning of the financial year		254,447
Cash and cash equivalents at end of the financial year		1,199,516

The accompanying notes form part of these financial statements.

The financial report covers Camplify (Co) Australia Pty Limited and its controlled entities ('the Group'). Camplify (Co) Australia Pty Limited is a for-profit proprietary Group, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

In the Directors' opinion, the Group is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the Directors.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 10 *Statement of Cash Flows*, AASB 10 *Accounting Policies*, *Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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.

The revenue recognition policies for the principal revenue streams of the Group are:

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Provision of services

Revenue is recognised on the provision of services to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed.

Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Interest income

Interest is recognised on an accruals basis.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

2 Summary of Significant Accounting Policies

(d) Property plant and equipment

Fixed asset class	Depreciation rate
Plant and equipment	10% - 30%
Computer equipment	33%
Motor Vehicles	12.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - VTPL
- fair value through other comprehensive income - equity instrument (VOC - equity)
- fair value through other comprehensive income - debt investments (VOC - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets
cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (CL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at VOC

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating CL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

mpairment 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 the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance 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.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets
is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

2 Summary of Significant Accounting Policies

(g) Intangible

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. t has an estimated useful life of five years.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(i) Leases

Right of use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CP) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2 Summary of Significant Accounting Policies

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. n determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the company's option, and any dividends are discretionary.

(l) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Revenue and Other Income

	2019
	$
- Premium membership fees	309,340
- Retail sales & commissions	46,667
- Listing fees	280,070
- Booking fees	864,230
- Excess reduction	137,037
Total Revenue	1,637,344

- Research and development tax rebate	171,348
- Interest income	2,419
- Grant income	36,182
- Other revenue	22,681
Total Other income	232,630

5 Cash and Cash Equivalents

	Consolidated
	2019
	$
Cash at bank and in hand	1,199,516

6 Trade and Other Receivables

CURRENT	
Trade receivables	1,260,762
Research and development tax receivable	171,348
Other receivables	-
Loan - Eventstayz Pty Ltd	14,960
	1,447,070

7 Property plant and equipment

Plant and equipment	
At cost	14,323
Accumulated depreciation	(12,061)
Total plant and equipment	2,262
Computer equipment	
At cost	16,502
Accumulated depreciation	(694)
Total computer equipment	15,808
Total property plant and equipment	18,070

Notes to the Financial Statements
For the Year Ended 30 June 2019

8 Intangible Assets

	Consolidated 2019 $
Computer software	
Cost	211,283
Accumulated amortisation	(24,577)
Total Intangibles	186,706

9 Other assets

	Consolidated 2019 $
CURRENT	
Rental bond	17,287
NON-CURRENT	
Investment - Eventstayz Pty Ltd	40
Trademark	7,855
	7,895

10 Trade and Other Payables

	Consolidated 2019 $
CURRENT	
Trade payables	413,977
Accrued expenses	127,598
Rental clearing	1,629,430
Hirer credits	-
	2,171,005

11 Other Financial Liabilities

	Consolidated 2019 $
CURRENT	
Booking fees in advance	263,215

12 Employee Benefits

	Consolidated 2019 $
Current liabilities	
Provision for annual leave	137,155
Non-current liabilities	
Provision for long service leave	17,699

Notes to the Financial Statements
For the Year Ended 30 June 2019

13 Issued Capital

	Consolidated 2019 $
619,415 Ordinary shares	2,598,600
2,144,123 Preference shares	5,200,000
	7,798,600

14 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2019 (30 June 2018:None).

15 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:	
Loss for the year	(1,635,124)
Cash flows excluded from profit attributable to operating activities	
Non-cash flows in profit:	
- depreciation	29,380
- unrealised currency losses	(584)
- write-off of capitalised expenditure	17,763
- Changes in assets and liabilities:	
- decrease (increase) in trade and other receivables	(698,407)
- decrease (increase) in other assets	(12,301)
- (decrease) increase in other liabilities	166,886
- increase in trade and other payables	1,345,367
- increase in employee benefits	60,972
Cashflows from operations	(726,048)

16 Statutory Information

The registered office of the company is:
Camplify (Co) Australia Pty Limited
Growthwise 59 Parry Street
NEWCASTLE NSW 2300

The principal place of business is:
Camplify (Co) Australia Pty Limited
461 Hunter Street
NEWCASTLE NSW 2300

Directors' Declaration

The directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards as stated in Note 1; and

   (b) give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director: Karl Trouchet .... Director: Stephanie Hinds ....

Dated 30 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAMPLIFY (Co) AUSTRALIA Pty LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Camplify (Co) Australia Pty Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other 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.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year then ended; and
(b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independence

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 (including Independence Standards) (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 Group, would be in the same terms if given to the directors as at the time of this auditor's report.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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, action taken to eliminate threats or safeguards applied.

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Martin Matthews
Partner

30 March 2021
Newcastle, NSW