

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Financial Statements

For the Period Ended 30 June 2018

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Contents

For the Period Ended 30 June 2018

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	24
Independent Audit Report	25

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Directors' Report

30 June 2018

The directors present their report on Oakbridge Lawyers Pty Ltd for the financial period ended 30 June 2018.

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	(Appointed 20 July 2018)
Vlado Cvetkovski	(Appointed 18 December 2017) (Resigned 8 July 2019)
Samantha Goddard	(Appointed 20 July 2018) (Resigned 8 July 2019)

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

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 \$ (77,369).

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.

3. Other items

Significant changes in state of affairs

The Company was incorporated during the financial period on 18 December 2017, as such, there is no comparative information.

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

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Directors' Report

30 June 2018

3. Other items

Events after the reporting date

In December 2019, the share capital of Oakbridge Lawyers Pty Ltd was sold to Credit Clear Pty Ltd via a signed Share Sale Agreement.

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 Group. However, at this time the Directors are unable to quantify the financial impact on the Group 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.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of Oakbridge Lawyers Pty Ltd.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 30 June 2018 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 Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000
+61 (0)3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220
+61 (0)3 5215 6800


victoria@moorestephens.com.au

www.moorestephens.com.au

**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 30 June 2018, 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 30 June 2018

		18 Dec 2017 to 30 June 2018
	Note	\$
Revenue	5	301,717
Cost of sales		(28,951)
Gross profit		272,766
Employee benefits		(146,836)
Occupancy costs		(26,433)
Administration expenses		(152,442)
Other expenses		(13,153)
Depreciation expenses		(11,250)
Finance expenses		(21)
Loss before income tax		(77,369)
Income tax expense	6	-
Loss for the period		(77,369)
Total comprehensive income for the period		(77,369)

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7	7,433
Trade and other receivables	8	344,344
Other assets	10	20,550
TOTAL CURRENT ASSETS		<u>372,327</u>
NON-CURRENT ASSETS		
Property, Plant & Equipment	9	-
TOTAL NON-CURRENT ASSETS		<u>-</u>
TOTAL ASSETS		<u>372,327</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	11	429,170
Employee benefits	12	19,454
TOTAL CURRENT LIABILITIES		<u>448,624</u>
NON-CURRENT LIABILITIES		
Employee benefits	12	1,062
TOTAL NON-CURRENT LIABILITIES		<u>1,062</u>
TOTAL LIABILITIES		<u>449,686</u>
NET ASSETS		<u>(77,359)</u>
EQUITY		
Issued capital	13	10
Retained earnings		<u>(77,369)</u>
TOTAL EQUITY		<u>(77,359)</u>

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Changes in Equity For the Period Ended 30 June 2018

2018

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 18 December 2017	-	-	-
Shares issued during the period	10	-	10
Loss attributable to members of the entity	-	(77,369)	(77,369)
Balance at 30 June 2018	10	(77,369)	(77,359)

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Statement of Cash Flows

For the Period Ended 30 June 2018

	Note	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers		782,467
Payments to suppliers and employees		(763,773)
Interest paid		(21)
Net cash used in operating activities	19	<u>18,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment		<u>(11,250)</u>
Net cash used in investing activities		<u>(11,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares		<u>10</u>
Net cash provided by financing activities		<u>10</u>
Net increase/(decrease) in cash and cash equivalents held		7,433
Cash and cash equivalents at 18 December 2017		-
Cash and cash equivalents at end of the period	7	<u><u>7,433</u></u>

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Notes to the Financial Statements

For the Year Ended 30 June 2018

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

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

The Company was incorporated during the financial period on 18 December 2017, as such, there is no comparative information.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

The Company has early adopted AASB 9 *Financial Instruments* for the first time in the current period with a date of initial adoption of 1 July 2017.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative period, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current period.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Classification of financial assets

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has early adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current period with a date of initial application of 1 July 2017.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 are described below.

The Company has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. All adjustments on adoption of AASB 15 have been taken to retained earnings at 1 July 2017.

Leases - Adoption of AASB 16

AASB 16 - Leases

The Company has elected to early adopt AASB 16 *Leases* for the first time for their annual reporting period commencing 18 December 2017 for the period ended 30 June 2018.

The company had no Capital and Leasing Commitments at balance date. The company pays a management fee to Credit Solutions Pty Ltd for use of office space. The directors of the Company have assessed that this does not constitute a lease under AASB 16.

3 Summary of Significant Accounting Policies

(a) 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 period 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.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(a) Income Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) 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 Company 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

Specific revenue streams

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

Solicitor Income

Solicitors income is earned by the company for legal services provided in relation to debt collection, insolvency and other legal services provided to customers. Solicitor fee income is presented net of discounts and rebates applied. Solicitors income is recognised on a monthly basis for legal services provided with payment terms of 30 days.

Legal disbursements

The Company arranges for the disbursement activities provided by third parties on behalf of the client; however it does not control the output from those activities. The company cannot influence the content of reports obtained or court filings, therefore no profit margin is recognised on the activities when clients are charged the direct cost incurred by the Company. As such, the Company acts as an agent for disbursements, which are only recognised when it is assessed that a reimbursement will be received from the client. The amount recognised for the expected reimbursement does not exceed the relevant costs incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Field Services

Field services income is earned by the Company for serving legal documents to debtors. Field services income is recognised on a monthly basis for legal services provided in the previous month with payment terms of 30 days.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) 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.

(e) 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Property, Plant and Equipment	33% - 100%

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.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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

Financial instruments are recognised initially on the date that the Company 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 Company classifies its financial assets into the following categories, those measured at amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

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

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company 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 Company 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

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 Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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 Company 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 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 Company 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 Company comprise trade payables, bank and other loans and finance lease liabilities.

(g) Impairment of non-financial assets

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

Where an indicator exists and regardless for 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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Summary of Significant Accounting Policies

(i) Employee benefits

Provision is made for the Company'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. In 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.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 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.

Key judgements - Going Concern

At balance date, the company recorded a loss after tax of \$77,369 and had had a net current asset deficiency of \$76,297.

The ability of to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of its business, realisation of assets and settlement of liabilities in the normal course of business.

In determining that the going concern assumption is appropriate, the Directors have had regard to note 20 of the financial statements, which discloses that the company was sold in December 2019 to Credit Clear Pty Ltd.

The entity's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the entity may be unable to continue as a going concern and may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Revenue and Other Income

	2018
	\$
Revenue from contracts with customers	
- Solicitors income	265,496
- Field services	35,610
- Other Income	611
Total Revenue	301,106

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2018
	\$
Current tax expense	
Income tax charged	(1,743)
Deferred tax expense	
Origination and reversal of temporary differences	19,534
Income tax expense for continuing operations	17,791
Current and temporary differences not brought to account	(17,791)
Total income tax expense	-

7 Cash and Cash Equivalents

	2018
	\$
Cash at bank and in hand	7,433
	7,433

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:

	2018
	\$
Cash and cash equivalents	7,433
Balance as per statement of cash flows	7,433

Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Trade and other receivables

	2018
	\$
CURRENT	
Related party receivables	(a) <u>344,344</u>
Total current trade and other receivables	<u>344,344</u>

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.

a) Related party receivables: These receivables are for services rendered for companies within the Credit Solutions Group (refer note 18). There is no agreed terms, conditions, interest or security attached to these balances.

Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2018 is determined as follows, the expected credit losses incorporate forward looking information.

30 June 2018	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	-	-	-	-	-
Gross carrying amount (\$)	123,081	94,041	63,548	63,674	344,344
ECL provision	-	-	-	-	-

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, plant and equipment

	2018 \$
Office equipment	
At cost	11,250
Accumulated depreciation	(11,250)
Total office equipment	-

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Office Equipment \$	Total \$
Period ended 30 June 2018		
Balance at the beginning of period	-	-
Additions	11,250	11,250
Depreciation expense	(11,250)	(11,250)
Balance at the end of the period	-	-

10 Other assets

	2018 \$
CURRENT	
Prepayments	16,650
Deposits paid	3,900
	20,550

11 Trade and Other Payables

	2018 \$
Current	
Trade payables	35,787
GST payable	8,190
Sundry payables and accrued expenses	41,449
Related party payables	343,744
	429,170

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

12 Employee Benefits

	2018 \$
Current liabilities	
Provision for employee benefits	19,454
	<u>19,454</u>
Non-current liabilities	
Provision for employee benefits	1,062
	<u>1,062</u>

13 Issued Capital

	2018 \$
10 Ordinary shares	10
Total	<u>10</u>

(a) Ordinary shares

	2018 No.
Balance at 18 December 2017	-
Shares issued during the year	10
At the end of the reporting period	<u>10</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.

(b) Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. Throughout the year, the Company has complied with these covenants.

14 Capital and Leasing Commitments

The company had no Capital and Leasing Commitments at balance date. The company pays a management fee to Credit Solutions Pty Ltd for use of office space.

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Borrowings

		2018 \$
Financial assets		
Cash and cash equivalents	7	7,433
Trade and other receivables		
Trade and other receivables		344,344
	8	<u>344,344</u>
Total financial assets		<u>351,777</u>
Financial liabilities		
Trade and other payables	11	429,170
Total financial liabilities		<u>429,170</u>

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Oakbridge Lawyers Pty Ltd's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Financial Risk Management

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Oakbridge Lawyers Pty Ltd during the period are as follows:

	2018
	\$
Short-term employee benefits	116,922

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Notes to the Financial Statements

For the Year Ended 30 June 2018

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018.

18 Related Parties

(a) The Company's main related parties are as follows:

The Company is part of the Credit Solutions Group which comprises of companies owned by a similar ownership group. The group comprises of the following companies for the period:

- Credit Solutions Pty Ltd
- Credit Solutions (NSW) Pty Ltd
- Credit Solutions (QLD) Pty Ltd
- Credit Solutions (VIC) Pty Ltd
- Credit Solutions (WA) Pty Ltd

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Expenses	Revenue	Balance outstanding	
	\$	\$	Owed to the company	Owed by the company
			\$	\$
Other members of the Credit Solutions Group				
Solicitors income	-	277,960	-	-
Legal disbursements	12,464	-	-	-
Field services	-	35,610	-	-
Other income	-	611	-	-
Trade and other receivables	-	-	344,344	-
Trade and other payables	-	-	-	343,744
Vlado Cvetkovski Family Trust				
Accounts Payable	-	-	-	15,906
Consulting fees	86,460	-	-	-

Oakbridge Lawyers Pty Ltd

ABN: 65 623 488 291

Notes to the Financial Statements

For the Year Ended 30 June 2018

19 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:

	2018
	\$
Loss for the year	(77,369)
Cash flows excluded from profit attributable to operating activities	
Non-cash flows in profit:	
- depreciation	11,250
Changes in assets and liabilities:	
- (increase)/decrease in trade and other receivables	(344,344)
- (increase)/decrease in other assets	(20,550)
- increase/(decrease) in trade and other payables	429,170
- increase/(decrease) in provisions	20,516
Cashflows from operations	<u>18,673</u>

20 Events Occurring After the Reporting Date

In December 2019, the share capital of Oakbridge Lawyers Pty Ltd was sold to Credit Clear Pty Ltd via a signed Share Sale Agreement.

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 Group. However, at this time the Directors are unable to quantify the financial impact on the Group 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.

21 Statutory Information

The registered office and 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 for the year ended 30 June 2018 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
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 13th day of June 2020

Moore Stephens Audit (Vic)

Level 18, 530 Collins Street
Melbourne Victoria 3000
+61 (0)3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220
+61 (0)3 5215 6800

victoria@moorestephens.com.au

www.moorestephens.com.au

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

Opinion

We have audited the accompanying financial report of Oakbridge Lawyers Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Company.

In our opinion:

- a. the financial report of Oakbridge Lawyers Pty Ltd is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of their performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 are independent of the Company in accordance with the auditor independence requirements with 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 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 Company's annual report of the period ended 30 June 2018, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determines is necessary to enable the preparation of the financial report that 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 Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



ANDREW JOHNSON

Partner

Audit & Assurance Services

Melbourne, Victoria

23 June 2020