

ECU WORLDWIDE AUSTRALIA PTY LTD

ABN 11 095 072 334

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

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ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2020.

Directors

The names of the directors in office at any time during or since the end of the year are:

- Tony Naumoff (appointed 26 March 2020)
- Sachu Simon (appointed 25 February 2020)
- Uday Shetty (resigned 25 February 2020)
- Kerry Nemeth (resigned 26 March 2020)

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$851,162.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- Review of our operational structure and teams was undertaken which resulted in a positive return for our business. Focused sales on key markets improved our relationships with our network and suppliers and resulted in satisfactory margins. We were pleased with the Improved LCL volumes and import FCL volumes.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

- To import and export air/sea freight.

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

Events Subsequent to the End of the Reporting Period

The company was hit by a cyber-attack on 7 February 2021 which disrupted the entire global network and working platform including company website, trace and track, email and data connected to the server could not be accessed. As a precautionary measure all the system were taken offline for some weeks. Now all the systems have been restored and functioning adequately.

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

Likely Developments and Expected Results of Operations

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 Regulation

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

Dividends

No dividends were paid or declared since the start of the financial year.

ECU WORLDWIDE AUSTRALIA PTY LTD
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DIRECTORS' REPORT

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the board of directors:

DocuSigned by:
Director: 
675FD278844049D...
Tony Naumoff

24 May 2021
Melbourne

**ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334**

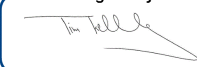
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
ECU WORLDWIDE AUSTRALIA PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**DFK BKM Audit Services
Camberwell, Victoria**

DocuSigned by:

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Director: Timothy M. Kelleher

24 May 2021

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
Revenue		28,746,872	26,546,530
Other income		345,300	108,819
Consumables used		(23,390,020)	(21,239,240)
Employee benefits expense		(3,354,179)	(4,076,854)
Depreciation and amortisation expenses		(193,724)	(118,443)
Other expenses		<u>(1,027,789)</u>	<u>(1,076,782)</u>
Profit before income tax		1,126,460	144,030
Income tax expense		<u>(275,298)</u>	<u>(56,453)</u>
Profit for the year		<u>851,162</u>	<u>87,577</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>851,162</u></u>	<u><u>87,577</u></u>

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	476,129	622,765
Trade and other receivables	5	3,876,517	3,803,820
Other current assets	9	24,135	17,311
Current tax assets	8	-	90,532
TOTAL CURRENT ASSETS		<u>4,376,781</u>	<u>4,534,428</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	54,606	58,434
Right of Use Assets	7	375,556	553,788
Deferred tax assets	8	172,091	210,852
Other non-current assets	9	38,933	38,933
TOTAL NON-CURRENT ASSETS		<u>641,186</u>	<u>862,007</u>
TOTAL ASSETS		<u><u>5,017,967</u></u>	<u><u>5,396,435</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,761,243	2,611,923
Current tax liabilities	8	170,025	-
Provisions	11	235,493	242,029
Lease liability	12	160,170	156,887
Other liabilities	13	792,203	1,124,399
TOTAL CURRENT LIABILITIES		<u>3,119,134</u>	<u>4,135,238</u>
NON-CURRENT LIABILITIES			
Lease liability	12	234,821	405,182
Provisions	11	125,308	104,749
Borrowings	14	496,276	560,000
TOTAL NON-CURRENT LIABILITIES		<u>856,405</u>	<u>1,069,931</u>
TOTAL LIABILITIES		<u>3,975,539</u>	<u>5,205,169</u>
NET ASSETS		<u><u>1,042,428</u></u>	<u><u>191,266</u></u>
EQUITY			
Issued capital	15	100,000	100,000
Retained earnings		942,428	91,266
TOTAL EQUITY		<u><u>1,042,428</u></u>	<u><u>191,266</u></u>

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Share Capital Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 January 2019		100,000	563,689	663,689
Comprehensive income				
Profit for the year		-	87,577	87,577
Total comprehensive income for the year attributable to the members of the company			87,577	87,577
Transactions with the owners, in capacity as owners and other transfers				
Dividends paid or provided for	3	-	(560,000)	(560,000)
Total transactions with the owners and other transfers		-	(560,000)	(560,000)
Balance as 31 December 2019		100,000	91,266	191,266
Balance at 1 January 2020		100,000	91,266	191,266
Comprehensive income				
Profit for the year		-	851,162	851,162
Total comprehensive income for the year attributable to the members of the company		-	851,162	851,162
Transactions with the owners, in capacity as owners and other transfers				
Dividends paid or provided for	3	-	-	-
Total transactions with the owners and other transfers		-	-	-
Balance as 31 December 2020		100,000	942,428	1,042,428

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		29,163,626	26,854,481
Payments to suppliers and employees		(29,069,353)	(26,306,369)
Net income tax refunded (paid)		24,020	(203,006)
Interest paid - lease liability		(20,423)	(13,000)
Net cash provided by operating activities		<u>97,870</u>	<u>332,106</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,984)	(13,737)
Net cash used in investing activities		<u>(27,984)</u>	<u>(13,737)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(152,798)	(82,502)
Payment of dividends		-	(560,000)
Proceeds from (repayments of) borrowings		(63,724)	560,000
Net cash used in financing activities		<u>(216,522)</u>	<u>(82,502)</u>
Net increase (decrease) in cash held		(146,636)	235,867
Cash and cash equivalents at beginning of financial year		622,765	386,898
Cash and cash equivalents at end of financial year	4	<u><u>476,129</u></u>	<u><u>622,765</u></u>

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Ecu Worldwide Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue by the directors on 24 May 2021.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) **Property, Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

(b) Leases

The company recognises a right-of-use asset and associated lease liability for the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability.

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. The right-of-use asset is assessed for impairment indicators at each reporting date. 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 entity's incremental borrowing rate.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method.

(c) 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 have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

(d) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

e) Revenue and Other Income

The trigger point for recognising revenues and related costs is when the respective shipping documents have been received and the vessel exchange rate has been obtained. This is the point that the costs have been incurred and both the costs and revenue can be reliably measured. This generally occurs 5 to 10 days before vessel arrives.

Therefore, invoices are raised within 5 to 10 days before vessel arrives and upon receipt of shipping documents and vessel exchange rate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Costs are entered in when invoicing done. Charges expected from the landing of shipping and unpacking and other charges included in the terms and conditions of the shipping documentation are accrued for based on the foreign exchange rate utilised by shipping company and standard fees. A currency uplift factor is used for each job that is translated to AUD being:

- 3.0% for co-loading; and
- 7.0% for retail.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

(f) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(g) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

(h) Cash and Cash Equivalents

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

(i) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

An assessment is made on the expected recovery of individual trade receivables and a provision for doubtful debts is made based on this assessment.

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

(j) Trade and Other Payables

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

(k) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of transaction.

Exchange differences arising on the translation of monetary items are recognised in profit or loss. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
2. KEY MANAGEMENT PERSONNEL COMPENSATION		
The totals of remuneration paid to key management personnel during the year are as follows:		
Key management personnel compensation	438,400	390,000
3. DIVIDENDS		
Distributions paid		
Declared interim and final dividends:		
Fully franked	-	560,000
Total dividend per share for the period	-	5.60
4. CASH AND CASH EQUIVALENTS		
Cash on hand	-	600
Cash at bank – AUD accounts	443,625	449,904
Cash at bank – USD account	32,504	172,261
	476,129	622,765
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	4,034,360	3,860,353
Less provision for doubtful debts	(157,843)	(56,533)
	3,876,517	3,803,820
6. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment – at cost	464,139	436,155
Less accumulated depreciation	(439,469)	(411,015)
	24,670	25,140
Furniture and fittings – at cost	98,043	98,043
Less accumulated depreciation	(68,107)	(64,749)
	29,936	33,294
Total property, plant and equipment	54,606	58,434

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
7. RIGHT OF USE ASSETS		
Rental Property		
Right of Use Asset - Rental Property	587,762	608,811
Accumulated Amortisation - Rental Property	(238,811)	(87,752)
	<u>348,951</u>	<u>521,059</u>
Sharp Printer		
Right of Use Asset - Sharp Printer	37,373	35,759
Accumulated Amortisation - Sharp Printer	(10,768)	(3,030)
	<u>26,605</u>	<u>32,729</u>
Total right of use assets	<u>375,556</u>	<u>553,788</u>
8. TAX		
(a) Liabilities		
CURRENT		
Provision for income tax	170,025	-
(b) Assets		
CURRENT		
Provision for income tax	-	90,532
NON-CURRENT		
Deferred tax assets	172,091	210,852
Deferred Tax Assets		
Opening balance	210,852	215,558
Charged to income	(38,761)	(4,706)
Balance at year end	<u>172,091</u>	<u>210,852</u>
9. OTHER ASSETS		
CURRENT		
Prepaid expenses	24,135	17,311
NON-CURRENT		
Rental bonds	31,933	31,933
Cargowise refundable deposit	7,000	7,000
	<u>38,933</u>	<u>38,933</u>
10. TRADE AND OTHER PAYABLES		
CURRENT		
Goods and services tax	82,280	107,312
Withholding tax	48,884	-
Trade creditors	1,630,079	2,504,611
	<u>1,761,243</u>	<u>2,611,923</u>

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
11. PROVISIONS		
CURRENT		
Provision for annual leave	218,894	190,878
Provision for long service leave	16,599	51,151
	<u>235,493</u>	<u>242,029</u>
NON-CURRENT		
Provision for long service leave	<u>125,308</u>	<u>104,749</u>
12. LEASE LIABILITY		
CURRENT		
Rental Property	152,844	150,089
Sharp Printer	7,326	6,798
	<u>160,170</u>	<u>156,887</u>
NON-CURRENT		
Rental Property	214,369	378,970
Sharp Printer	20,452	26,212
	<u>234,821</u>	<u>405,182</u>
MATURITY ANALYSIS		
Year 1	173,878	177,858
Year 2	149,441	179,725
Year 3	89,955	152,214
Year 4	4,414	92,429
Year 5	-	4,038
	417,688	606,264
Less unearned interest	<u>(22,697)</u>	<u>(44,195)</u>
	<u>394,991</u>	<u>562,069</u>
ANALYSED AS		
Current	160,170	156,887
Non-Current	234,821	405,182
	<u>394,991</u>	<u>562,069</u>
13. OTHER LIABILITIES		
CURRENT		
Accrued expenses	27,738	76,269
Accrued - WIP	764,465	1,048,130
	<u>792,203</u>	<u>1,124,399</u>
14. BORROWINGS		
NON-CURRENT		
Loan from Ecuhold N.V.	<u>496,276</u>	<u>560,000</u>

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
15. ISSUED CAPITAL		
100,000 (2019: 100,000 fully paid ordinary shares)	<u>100,000</u>	<u>100,000</u>
16. CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES		
The company has an asset finance-leasing facility amounting to \$100,000 (2019: \$100,000). At 31 December 2020, \$Nil of this facility was used.		
17. RELATED PARTY TRANSACTIONS		
Management fees paid to Ecuhold N.V.	<u>189,525</u>	<u>183,224</u>
Interest expense paid to Ecuhold N.V.	<u>11,011</u>	<u>2,939</u>
Trade receivables from related parties	<u>381,701</u>	<u>340,925</u>
Trade payables to related parties	<u>629,833</u>	<u>426,425</u>
Loan from shareholder – Ecuhold N.V.	<u>496,276</u>	<u>560,000</u>
18. CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES		
The company has an asset finance-leasing facility amounting to \$100,000 (2019: \$100,000). At 31 December 2020, \$Nil of this facility was used.		
19. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD		
The company was hit by a cyber-attack on 7 February 2021 which disrupted the entire global network and working platform including company website, trace and track, email and data connected to the server could not be accessed. As a precautionary measure all the system were taken offline for some weeks. Now all the systems have been restored and functioning adequately.		

ECU WORLDWIDE AUSTRALIA PTY LTD
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ecu Worldwide Australia Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 17 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the 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.

DocuSigned by:

Director C75ED278844049D
Tony Naumoff

24 May 2021
Melbourne

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECU WORLDWIDE AUSTRALIA PTY LTD**

Opinion

We have audited the financial report of Ecu Worldwide Australia Pty Ltd (the company), which comprises the statement of financial position as at 31 December 2020, 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 accompanying financial report of Ecu Worldwide Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the year then ended; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 are independent of the company 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 company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

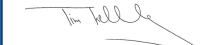
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ABN 11 095 072 334

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 at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

DFK BKM Audit Services
Camberwell, Victoria

DocuSigned by:

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Director: Timothy M Kelleher

24 May 2021