



Native Mineral Resources Pty Ltd  
Financial Report  
Year ended 30 June 2020

ABN 11 625 453 929

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# DIRECTORS' REPORT

Your directors present their report on Native Mineral Resources Pty Ltd ("the Company") for the financial year ended 30 June 2020.

## DIRECTORS

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

Blake Cannavo  
Philip Gardner (appointed on 7 August 2020)  
James Walker (appointed on 7 August 2020)

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

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was to continue to identify, acquire and start mineral exploration activities on a number of tenements in Queensland and Western Australia.

There were no significant changes in the nature of the Company's principal activities during the financial year.

## OPERATING RESULTS

The operating loss for the financial year was \$460,566 (2019: \$482,458). The net assets of the entity increased to negative net assets of \$24,812 from a previous deficiency of \$536,302. The Company's cash reserves increased from \$992 to \$5,438.

## REVIEW OF OPERATIONS

The 2020 financial year continued the company's activities to become an operational mining exploration company. Ongoing activities included the identification and acquisition of a number of tenements in Queensland and Western Australia as well as the initiation of early stage mineral exploration activities on those tenements.

The Company's activities were funded throughout 2020 via the financial facilities of a related party, which paid for a majority of the expenses incurred during the year.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the developments reported elsewhere in this report, there were no significant changes in the state of affairs during the year.

## DIVIDENDS PAID OR RECOMMENDED

No dividends were declared in 2020 or 2019.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following transactions or events have occurred post 30 June 2020:

- On 7 August 2020 issued 2,000,000 ordinary shares to raise cash of \$10,000.

No other matters or circumstance have arisen since 30 June 2020 that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

## NON-AUDIT SERVICES

No non-audit services were performed by the Company's Auditor, HLB Mann Judd Assurance (NSW) Pty Ltd, during the year.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 3.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



Blake Cannavo  
Managing Director and CEO

Dated: 11 September 2020



James Walker  
Non-Executive Chair

## AUDITOR'S INDEPENDENCE DECLARATION

### **Auditor's Independence Declaration to the directors of Native Mineral Resources Pty Ltd:**

As lead auditor for the audit of the financial report of Native Mineral Resources Pty Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'A G Smith'.

**Sydney, NSW  
11 September 2020**

**A G Smith  
Director**

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

|   | Note | 2020<br>\$       | 2019<br>\$       |
|---|------|------------------|------------------|
| Revenue from continuing operations            |      | -                | -                |
| Other income                                  |      | -                | -                |
| Tenement acquisition and exploration expenses |      | (405,931)        | (481,678)        |
| Corporate and administration expenses         |      | (54,635)         | (780)            |
| <b>Profit (Loss) before income tax</b>        |      | <b>(460,566)</b> | <b>(482,458)</b> |
| Income tax expense                            | 3    | -                | -                |
| <b>Profit (Loss) for the year</b>             |      | <b>(460,566)</b> | <b>(482,458)</b> |
| Other comprehensive income                    |      | -                | -                |
| <b>Total comprehensive income (loss)</b>      |      | <b>(460,566)</b> | <b>(482,458)</b> |

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

|                                  | Note | 2020<br>\$      | 2019<br>\$       |
|----------------------------------|------|-----------------|------------------|
| <b>Current Assets</b>            |      |                 |                  |
| Cash and cash equivalents        | 5    | 5,438           | 992              |
| Trade and other receivables      | 6    | 11,537          | 15,829           |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>16,975</b>   | <b>16,821</b>    |
| <b>TOTAL ASSETS</b>              |      | <b>16,975</b>   | <b>16,821</b>    |
| <b>Current Liabilities</b>       |      |                 |                  |
| Trade and other payables         | 7    | 41,787          | 311,898          |
| Borrowings                       | 8    | -               | 241,225          |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>41,787</b>   | <b>553,123</b>   |
| <b>TOTAL LIABILITIES</b>         |      | <b>41,787</b>   | <b>553,123</b>   |
| <b>NET ASSETS (LIABILITIES)</b>  |      | <b>(24,812)</b> | <b>(536,302)</b> |
| <b>Equity</b>                    |      |                 |                  |
| Issued capital                   | 9    | 973,056         | 1,000            |
| Accumulated profits (losses)     |      | (997,868)       | (537,302)        |
| <b>TOTAL EQUITY (DEFICIENCY)</b> |      | <b>(24,812)</b> | <b>(536,302)</b> |

The statement of financial position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

|   | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$      |
|---|-------------------------|-----------------------------|------------------|
| <b>Balance at 1 July 2018</b>                               | 1,000                   | (54,844)                    | (53,844)         |
| Total comprehensive income                                  | -                       | (482,458)                   | (482,458)        |
| <b>Transactions with owners in their capacity as owners</b> |                         |                             |                  |
| Share funds received  | -                       | -                           | -                |
| <b>Balance at 30 June 2019</b>                              | <u>1,000</u>            | <u>(537,302)</u>            | <u>(536,302)</u> |
| Total comprehensive income                                  | -                       | (460,566)                   | (460,566)        |
| <b>Transactions with owners in their capacity as owners</b> |                         |                             |                  |
| Conversion of loan funds owing to share capital             | 972,056                 | -                           | 972,056          |
| <b>Balance at 30 June 2020</b>                              | <u>973,056</u>          | <u>(997,868)</u>            | <u>(24,812)</u>  |

The statement of changes in equity should be read in conjunction with the accompanying notes.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

|  | Note      | 2020<br>\$       | 2019<br>\$       |
|--|-----------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |           |                  |                  |
| Receipts from customers                          |           | -                | -                |
| Interest and other income received               |           | -                | -                |
| Payments to suppliers                            |           | (726,385)        | (226,785)        |
| Interest and other expenses paid                 |           | -                | -                |
| Payment of lease deposit                         |           | -                | -                |
| <b>Net cash (used in) operating activities</b>   | <b>10</b> | <b>(726,385)</b> | <b>(226,785)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |           |                  |                  |
| Purchase of property, plant and equipment        |           | -                | -                |
| <b>Net cash (used in) investing activities</b>   |           | <b>-</b>         | <b>-</b>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |           |                  |                  |
| Proceeds of share applications received          |           | -                | -                |
| Proceeds of loan received                        |           | 730,831          | 226,721          |
| <b>Net cash provided by financing activities</b> |           | <b>730,831</b>   | <b>226,721</b>   |
| Net increase (decrease) in cash held             |           | 4,446            | (64)             |
| Cash at the beginning of the financial year      |           | 992              | 1,056            |
| <b>Cash at the end of the financial year</b>     | <b>5</b>  | <b>5,438</b>     | <b>992</b>       |

The statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Native Mineral Resources Pty Ltd (“the Company”), a proprietary limited company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 11 September 2020 by the directors of the Company. The directors have the power to amend and reissue the financial report.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

### **Basis of Preparation**

The general purpose financial statements of the Company have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”), as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs.

### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Australian Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period, including AASB 15 *Revenue from Contracts with Customers*, and AASB 16 *Leases*. These have not had any impact on the Company’s financial statements.

### **Accounting Policies**

#### **(a) Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

#### **(b) Income Tax**

With the Company in a tax loss situation in 2020 and 2019 no income tax has been brought to account. Once profitable the income tax expense will comprise current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that no adverse change will occur in income taxation legislation, that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will continue to comply with the conditions of deductibility imposed by the law.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The acquisition and maintenance costs of tenements are expensed in the period incurred.

### (d) Exploration and evaluation expenditure

Exploration and evaluation expenditure is expensed as incurred.

### (e) 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.

### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, and deposits held at call with banks.

### (g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

### (h) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classed as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (i) Issued capital

Ordinary shares are classified as equity.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) **Goods and Services Tax**

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (k) **Comparative Figures**

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

### (l) ***New Accounting Standards and Interpretations not yet mandatory***

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations is that they will have no material impact on the financial statements of the Company.

## NOTE 2: GOING CONCERN

The Company incurred a loss for the year ended 30 June 2020 of \$460,566 and the statement of financial position as at 30 June 2020 shows a deficiency of current assets in relation to current liabilities of \$24,812 and a deficiency of net assets of the same amount. To date the operations of the company have been funded through loans received from a related party.

Notwithstanding the loss for the financial year the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern, on the following basis:

- The Directors consider that the Company has the ability to continue to raise additional funds on a timely basis. The Company has raised funds in the past and the Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required; and
- The Company has the ability to scale back a significant portion of its exploration activities if required.

However, the Company's ability to continue as a going concern is dependent on raising capital or loan funding, thus resulting in a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

### NOTE 3: INCOME TAX EXPENSE

The Company did not record an income tax expense as the Company generated a taxable loss for both 2020 and 2019 and has carried forward tax losses.

As at 30 June 2020 the company had carried forward income tax losses of \$997,868, the benefit of which, \$250,086, will only be realised if the Company:

- earns future assessable income of a nature and an amount to enable realisation of the benefit
- the Company continues to comply with income tax law related to realisation of the benefit, and
- no changes in income tax law adversely affect the Company's entitlement to the benefit.

### NOTE 4: AUDITOR'S REMUNERATION

|                                  | <b>2020</b>   | <b>2019</b> |
|----------------------------------|---------------|-------------|
|                                  | \$            | \$          |
| Remuneration of the auditor for: |               |             |
| Auditing the financial report    | 36,000        | -           |
|                                  | <u>36,000</u> | <u>-</u>    |

Remuneration of the auditors for the financial periods ended 30 June 2018, 2019 and 2020 have been included as an expense in the financial statements of the Company for the year ended 30 June 2020.

### NOTE 5: CASH AND CASH EQUIVALENTS

|                          | <b>2020</b>  | <b>2019</b> |
|--------------------------|--------------|-------------|
|                          | \$           | \$          |
| Cash at bank and in hand | 5,438        | 992         |
|                          | <u>5,438</u> | <u>992</u>  |

### NOTE 6: TRADE AND OTHER RECEIVABLES

|               | <b>2020</b>   | <b>2019</b>   |
|---------------|---------------|---------------|
|               | \$            | \$            |
| CURRENT       |               |               |
| Other debtors | 11,537        | 15,829        |
|               | <u>11,537</u> | <u>15,829</u> |

### NOTE 7: TRADE AND OTHER PAYABLES

|                          | <b>2020</b>   | <b>2019</b>    |
|--------------------------|---------------|----------------|
|                          | \$            | \$             |
| CURRENT                  |               |                |
| Trade and other payables | 41,787        | 311,898        |
|                          | <u>41,787</u> | <u>311,898</u> |

## NOTE 8: BORROWINGS

|                      | 2020<br>\$ | 2019<br>\$ |
|----------------------|------------|------------|
| CURRENT              |            |            |
| Loan – related party | -          | 241,225    |
|                      | -          | 241,225    |

The operations of the company have been funded through loan funds provided by a related party. The loan is interest free and unsecured. On 30 June 2020 the loan balance was \$972,056 and the company issued 52,999,000 ordinary shares on this date as payment of the loan (note 9).

## NOTE 9: ISSUED CAPITAL

|                            | 2020<br>\$ | 2019<br>\$ |
|----------------------------|------------|------------|
| Fully paid ordinary shares | 973,056    | 1,000      |
|                            | 973,056    | 1,000      |

| Movements in Ordinary Shares                           | No.        | \$      |
|--|------------|---------|
| At the beginning of the reporting period – 1 July 2019 | 1,000      | 1,000   |
| Issued during the year (note 8)                        | 52,999,000 | 972,056 |
| At the end of the reporting period – 30 June 2020      | 53,000,000 | 973,056 |

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

### *Capital risk management*

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may issue new shares.

## NOTE 10: CASH FLOW INFORMATION

|   | 2020<br>\$ | 2019<br>\$ |
|---|------------|------------|
| <b>(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax</b> |            |            |
| (Loss) after income tax   | (460,566)  | (482,458)  |
| (Increase)/decrease in trade and other receivables                                | 4,292      | (10,740)   |
| Increase/(decrease) in trade and other payables                                   | (270,111)  | 266,413    |
| Cash flows from (used in) operations  | (726,385)  | (226,785)  |

## NOTE 11: EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure (including for those agreements entered into subsequent to year end), the Company is required to perform exploration work to meet the minimum expenditure requirements specified by State governments. Certain of these obligations are subject to renegotiation when application for renewed tenure is made. If tenement commitments are not met it may result in the tenement right of tenure being removed or the tenement area being reduced. These obligations are not provided for in the financial report and are payable:

|  |             |
|--|-------------|
| Within one year:                               | \$564,000   |
| One year or later and no later than five years | \$1,854,600 |

The Company had no other capital commitments at 30 June 2020 or 30 June 2019.

## NOTE 12: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

During the year Native Mineral Resources Pty Limited's business operations and expenses to third parties were paid directly by Bamford Engineering Pty Limited. Bamford Engineering is an entity 100% owned and controlled by the sole shareholder and director (until other directors appointed subsequent to year end) of Native Mineral Resources Pty Limited.

During the year Bamford Engineering charged the company \$250,000 for these services and for time spent by Bamford Engineering in operating the business.

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties.

During the period Bamford Engineering Pty Limited paid for the third party operational expenses for Native Mineral Resources Pty Limited.

|  | 2020<br>\$ | 2019<br>\$ |
|--|------------|------------|
| Operating expenses paid / payable to third parties | 68,812     | 182,194    |
| Operating expenses paid / payable to related party | 250,000    | 300,000    |
|  | 318,812    | 482,194    |

At 30 June 2020 the company owed Bamford Engineering Pty Limited \$nil (2019: \$241,225). On 30 June 2020 the related party loan was repaid in full via issue of shares (note 8).

The sole director of the company is Blake Cannavo. On 7 August 2020, Philip Gardner and James Walker were appointed as directors of the Company.

No remuneration was paid to the director (the only person classed as key management personnel) during the period ended 30 June 2020 (2019: \$nil).

## NOTE 13: SUBSEQUENT EVENTS

On 7 August 2020 issued 2,000,000 ordinary shares to raise cash of \$10,000.

No other matters or circumstance have arisen since 30 June 2020 that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial periods.

## NOTE 14: FINANCIAL INSTRUMENTS

### **Financial risk management objectives**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the sole Director, and subsequently by the Board of Directors subsequent to 30 June 2020 when two new directors were appointed ('the Board'). This includes identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

### **Interest rate risk**

The Company's borrowings are interest free.

Cash on hand is minimal and no interest has been earned on cash during the period.

### **Credit risk**

The only receivables in the statement of financial position at year end relate to GST owing, and therefore the Company considers it faces minimum credit risk.

### **Liquidity risk**

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows.

### **Fair value of financial instruments**

The carrying amounts of financial instruments reflect their fair value.

## NOTE 15: IMPACT OF COVID-19

During March 2020, COVID-19 was declared a pandemic by the World Health Organisation and has had a significant impact on domestic and global markets and economies. The impact of the COVID-19 pandemic, which continues to evolve on a daily basis, has significantly affected market volatility, exchange rates, supply chains, consumer demand, liquidity and credit conditions and unemployment rates and in a bid to curtail the spread of COVID-19, travel, trade and social restrictive measures have been imposed by the Australian Government.

At this stage, the Company's operations have not been affected by the impact of COVID-19 or the related restrictions.

The Directors are managing and monitoring the Company's operations closely in response to COVID-19 which continues to evolve on a daily basis. The extent of the impact COVID-19 may have on the Group's future financial performance and position is currently not known given the degree of uncertainty in the current climate.

## NOTE 16: COMPANY DETAILS AND PRINCIPAL PLACE OF BUSINESS

The registered office of Native Mineral Resources Pty Ltd is:

Suite 4201, Level 42, Australia Square  
264 George Street  
Sydney NSW 2000  
AUSTRALIA

The principal place of business of the Company is:

Office 10, 6-14 Clarence Street  
Port Macquarie NSW 2444  
AUSTRALIA



## DIRECTORS' DECLARATION

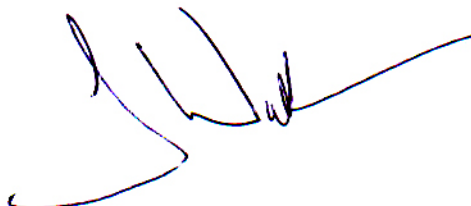
1. In the opinion of the directors of Native Mineral Resources Pty Ltd:
  - (a) financial statements and notes of Native Mineral Resources Pty Ltd as set out on pages 4 to 14 present fairly the Company's financial position as at 30 June 2020 and its financial performance for the year ended on that date, in accordance with Australian Accounting Standards; and
  - (b) there are reasonable grounds to believe that Native Mineral Resources Pty Ltd will be able to pay its debts as and when they become due and payable.
2. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Blake Cannavo  
Managing Director and CEO

Dated: 11 September 2020



James Walker  
Non-Executive Chair

# INDEPENDENT AUDITOR'S REPORT

## Independent Auditor's Report to the Members of Native Mineral Resources Pty Ltd

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Native Mineral Resources Pty Ltd ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 presents fairly, in all material aspects, the financial position of the Company as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

#### 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 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.

#### Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss of \$460,566 during the year ended 30 June 2020 and, as of that date, the Company's current liabilities exceeded its current assets by \$24,812 and the Company had a deficit of net assets of \$24,812. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Emphasis of Matter – Current and Possible Effects and Uncertainties of COVID-19

We draw attention to note 15 in the financial report, which describes the current and possible effects and uncertainties on the Company arising from the on-going issues associated with COVID-19. Our conclusion is not modified in respect of this matter.

#### Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the financial report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

**hlb.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

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 the Directors for the Financial Report**

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine 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 Company's ability 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 have no realistic alternative but to do so.

The directors are responsible for overseeing the Company'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*HLB Mann Judd*

*A G Smith*

**HLB Mann Judd Assurance (NSW) Pty Ltd**  
**Chartered Accountants**

**A G Smith**  
**Director**

**Sydney, NSW**  
**11 September 2020**

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