



2020

Financial Report

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Directors' Report

The Directors of APS Benefits Group Ltd (APSBG) present their report together with the Financial Statements of the Consolidated Entity, being APS Benefits Group Ltd (the Company) and its controlled entities (the Group), APS Financial Planning Pty Ltd, APS Tax, Accounting & Business Services Pty Ltd, APS Savings Ltd, APS Mortgages Pty Ltd and APS Wills and Estates Pty Ltd for the financial year ended 30 June 2020. The Company is a company registered under the Corporations Act 2001.

Directors' details

The Directors of APS Benefits Group Ltd during, or since the end of the year are:

Name and Qualifications	Experience and Special Responsibilities
<p>Glen Milner, Age 68 Chair, B.Bus Public Admin, MAICD Appointed as a non-executive Director in October 2011 and Chair in November 2017</p>	<p>Company Director ex-Bureau of Meteorology, Manager 48 years' experience Audit Finance & Governance, Engagement and Remuneration Committees Director of controlled entities - APS Financial Planning Pty Ltd, APS Tax, Accounting and Business Services Pty Ltd, APS Savings Ltd, APS Mortgages Pty Ltd, APS Wills and Estates Pty Ltd. Director of related entities – APS Benevolent Foundation Ltd and APS Benevolent Fund Ltd</p>
<p>Kaye Kieni, Age 56 Director, B.Bus(Acc), GDip Information Systems Master of Information Systems Management, Certificate in Governance and Risk Management, FCPA, MAICD Appointed as a non-executive Director in October 2014</p>	<p>Director, Finance, Productivity Commission 30 years' experience Chair, Audit Finance and Governance Committee Director of controlled entity APS Savings Ltd</p>
<p>Sharon Morris, Age 48 Director, BA(Psych & Politics), GDip Public Relations and Counselling, MAICD Appointed as a non-executive Director in October 2014</p>	<p>General Manager for Australia and New Zealand, Chartered Institute of Procurement & Supply (CIPS) 26 years' experience Remuneration Committee and Chair, Engagement Committee Director of controlled entity APS Savings Ltd</p>
<p>Kate Fazio, Age 34 Director, BA(Media & Comms), B Laws (Hons), GDip Legal Practice, GCert Social Impact, Master of Social Impact and Philanthropy Appointed as a non-executive Director in October 2016</p>	<p>Head of Innovation and Engagement, Justice Connect 12 years' experience Audit Finance and Governance and Engagement Committees Director of controlled entity APS Savings Ltd</p>
<p>Maurice Barclay, Age 64 Director, BAgSc Hons. (Melb), MAICD Appointed as a non-executive Director in October 2010 and retired in October 2019</p>	<p>Company Director ex-Australia Post, Manager, 41 years' experience Chair, Remuneration Committee Director of controlled entity APS Savings Ltd</p>
<p>Meg Bonighton, Age 47 Director, B.Bus (Marketing), BA (Politics) Appointed as a non-executive Director in October 2018</p>	<p>Customer Service and Telstra Contact Centres Executive 23 years' experience Audit Finance and Governance and Engagement Committees Director of controlled entity APS Savings Ltd</p>
<p>Sean Carroll, Age 42 Director, Masters Organisational Psychology (Monash) BA and BCommerce (Monash), GAICD Appointed as a non-executive Director in October 2018</p>	<p>Managing Partner, Culturesmith Pty Ltd 18 years' experience Remuneration Committee Director of controlled entity APS Savings Ltd</p>
<p>Tim Chilvers, Age 48 Director, Masters of Applied Finance, Dip Fin Serv, BBus Appointed as a non-executive Director in October 2019</p>	<p>Managing Director, Navigate Evolve Lead 30 years' experience Engagement Committee Director of controlled entity APS Savings Ltd</p>

The Company Secretary in office at the end of the year is:

Craig Walden, B.Bus (Acc), Diploma of Finance and Mortgage Broking Management. Craig has over 35 years' management experience including over 18 years as the current Chief Executive Officer of APS Benefits Group Pty Ltd.

Principal activities and objectives

The Group's principal activities during the financial year were:

- To provide funeral benefits to members.
- To provide a range of financial and professional services to members and clients.
- To administer the APS Benevolent Foundation Ltd and the APS Benevolent Fund Ltd, both approved charities for tax purposes. The Group has agreed to finance all of the expenses of the charities to ensure that all funds donated are used for charitable purposes.

The Group's strategy is to achieve steady growth in the number of members and clients, and to ensure that the range of financial and professional services provided to members and clients remains relevant to their needs.

Financial results

The deficit of the Group for the financial year after providing for income tax amounted to \$657,660 (2019: deficit \$1,833,889).

The size of this deficit is larger as a result of the Group allocating a bonus to members' accounts at a cost of \$434,000 (2019: \$1,834,000). If the bonus was not allocated, the financial result would have been a deficit of \$223,660 (2019: \$111 surplus).

It is a strategy of the Board to reduce the reserves over time, and this may lead to deficits in some years where the member's bonus has been paid or partially paid from reserves.

Dividends

The Group does not pay dividends.

Membership

At 30 June 2020, the number of members/clients was 30,705 compared with 30,552 at 30 June 2019.

During the 2019/20 year, a further 1,071 new members/clients joined the Group, leading to over 27,000 new members/clients over the last 18 years. This is an excellent result, giving us net membership/client growth over the last 18 years of over 11,350 members/clients.

Review of operations

The results of the Group's operations did not change significantly from those of the previous year.

The result for the year was affected by the Group's strategy to reduce the reserves over time, to ensure that current members are rewarded for the financial performance of the Group during their membership.

Significant changes in state of affairs

There were no significant changes in state of affairs of the Group during the year.

Events occurring after the end of the reporting date

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

Likely developments, business strategies and prospects

No matter, circumstance or likely development in the operations has arisen since the end of the financial year occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the:

1. operations of the Group;
2. results of those operations;
3. state of affairs of the Group

in future financial years.

The Group will continue to look for ways to achieve steady membership growth, and to add value to benefit its members/clients. It will investigate introducing new services, as well as encouraging greater use of its current services.

Indemnifying officer or auditor

Insurance premiums have been paid to insure each of the Directors and officers of the Group, against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as an officer of the Group. In accordance with normal commercial practice, disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract.

Directors' meeting attendance

The number of Board or Committee meetings attended by each of the Directors during the financial year are summarised as follows:

H = Meetings held in the period of appointment A = Attended

	Board and Strategy		Audit/Finance/Governance		Remuneration/Nomination		Engagement	
	H	A	H	A	H	A	H	A
G Milner	14	14	4	4	1	1	3	3
K Kieni	14	14	4	4	-	-	-	-
S Morris	14	11	-	-	1	1	3	3
K Fazio	14	11	4	4	-	-	3	2
M Barclay	5	5	-	-	1	1	-	-
M Bonighton	14	11	4	3	-	-	1	1
S Carroll	14	9	-	-	1	1	-	-
T Chilvers	10	9	-	-	-	-	2	2

Directors' benefits

These fees are approved annually by the members at the Annual General Meeting. For the year ending 30 June 2020, Directors received the benefits as described in the table below. Superannuation was paid at the rate of 9.5% of Honorarium.

Name	Honorarium (including superannuation) \$
Glen Milner	40,514
Kaye Kieni	34,310
Sharon Morris	28,835
Kate Fazio	25,550
Maurice Barclay	9,124
Meg Bonighton	25,550
Sean Carroll	25,550
Tim Chilvers	17,520
Total	206,953

Directors' interests

The Directors are all members of the Group. Subject to this, since the end of the previous financial year, no Director of the Group has received, or become entitled to receive any benefit by reason of a contract made by the Group with the Director, or with a Group in which the Director has a substantial interest.

Environmental issues

The Group's operations are not subject to any particular or significant environmental regulations under a law of the Commonwealth or of a State or Territory in Australia.

Auditors Independence

The auditors have provided the declaration of independence to the board as prescribed by the *Corporations Act 2001* as set out on page 5.

This report is made in accordance with a resolution of the board of Directors and is signed for and on behalf of the Directors by:



Chair – G Milner



Director – K Kieni

Dated this 28th day of September 2020.

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Auditor's Independence Declaration

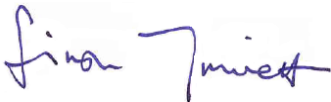
To the Directors of APS Benefits Group Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of APS Benefits Group Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 28 September 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
	-----	-----	-----
Revenue from operations	2	17,914,642	17,133,298
Employee benefits expense	3	(2,732,018)	(2,707,560)
Depreciation and amortization expense	3	(202,275)	(70,069)
Benefits paid to members	3	(2,712,817)	(2,489,816)
Changes in mortuary fund liabilities	3	(3,639,000)	(6,135,000)
Occupancy expense		(85,303)	(236,436)
Postage and telephone expense		(130,660)	(155,728)
Bad debts expense	4	(1,920,774)	(756,230)
External services expense		(842,079)	(1,078,175)
Board and AGM expenses		(219,059)	(224,225)
Interest expense on debenture notes issued		(2,851,046)	(2,152,352)
Interest expense on lease liabilities		(95,597)	0
Marketing expense		(140,231)	(158,237)
Other expenses		(898,413)	(800,390)
Operating surplus/(deficit) before tax		1,445,370	169,080
Income tax expense	5	(2,103,030)	(2,002,969)
Net surplus/(deficit) after tax		(657,660)	(1,833,889)
Other comprehensive income			
Total comprehensive income/(loss)		(657,660)	(1,833,889)

This statement should be read in conjunction with the notes to the financial statements

Consolidated Statement of Financial Position

For the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
		-----	-----
Current Assets			
Cash and cash equivalents	6	16,660,106	8,926,744
Trade and other receivables	7	69,700,010	54,819,007
Other financial assets	8	6,622,965	6,710,787
Other current assets	9	135,184	79,248
Total current assets		<u>93,118,265</u>	<u>70,535,786</u>
Non-current Assets			
Trade and other receivables	7	91,998,220	92,891,940
Plant and equipment	13	374,172	388,927
Intangible assets	10	-	62,072
Right of use assets	15	1,471,958	-
Deferred tax asset	5	1,059,266	772,296
Total non-current assets		<u>94,903,616</u>	<u>94,115,235</u>
Total assets		<u>188,021,881</u>	<u>164,651,021</u>
Current Liabilities			
Trade and other payables	11	69,649,407	53,379,898
Current tax liabilities		1,049,895	538,882
Lease liabilities	16	101,532	-
Provisions	12	930,444	837,016
Mortuary fund	19	2,526,750	2,448,329
Total current liabilities		<u>74,258,028</u>	<u>57,204,125</u>
Non-current Liabilities			
Deferred tax liabilities	5	104,157	97,544
Provisions	12	23,168	12,925
Lease liabilities	16	1,409,072	-
Mortuary fund	19	99,334,250	95,773,671
Debenture Notes Issued	11	9,104,708	7,116,598
Total non-current liabilities		<u>109,975,355</u>	<u>103,000,738</u>
Total liabilities		<u>184,233,383</u>	<u>160,204,863</u>
Net Assets		<u>3,788,498</u>	<u>4,446,158</u>
Equity			
Reserves	14	3,788,498	4,446,158
		<u>3,788,498</u>	<u>4,446,158</u>

This statement should be read in conjunction with the notes to the financial statements

Consolidated Statement of Changes in Member Equity

For the year ended 30 June 2020

	General Reserve	Total Equity
	\$	\$
Balance at 1 July 2018	6,280,047	6,280,047
Surplus/(Deficit)	(1,833,889)	(1,833,889)
Balance at 30 June 2019	<u>4,446,158</u>	<u>4,446,158</u>
Balance at 1 July 2019	4,446,158	4,446,158
Surplus/(Deficit)	(657,660)	(657,660)
Balance at 30 June 2020	<u>3,788,498</u>	<u>3,788,498</u>

This statement should be read in conjunction with the notes to the financial statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
Operating Activities			
Revenue inflows			
Receipts from members & customers		4,469,252	4,390,030
Interest received		13,496,865	12,539,091
Bad debts recovered		70,554	15,372
Revenue outflows			
Income taxes paid		(1,872,374)	(1,557,403)
Payments to members		(2,712,817)	(2,489,816)
Interest paid		(2,927,288)	(2,132,483)
Payments to employees and suppliers		(4,992,172)	(6,300,289)
Net cash from operating activities		5,532,020	4,464,502
Investing Activities			
Inflows			
Deposits from investors		17,976,695	13,097,767
Outflows			
Payments for plant and equipment		(46,733)	(79,227)
Payments for financial assets		(75,000)	(2,000,000)
Net advances of loans to members		(15,551,479)	(20,247,553)
Net cash (used in)/from investing activities		2,303,483	(9,229,013)
Financing Activities			
Lease payments		(102,141)	-
Net cash used in investing activities		(102,141)	-
Total net cash increase/(decrease)		7,733,362	(4,764,511)
Cash at beginning of year		8,926,744	13,691,255
Cash at end of year	6	16,660,106	8,926,744

This statement should be read in conjunction with the notes to the financial statements

Notes to the Financial Statements

Note 1: Statement of significant accounting policies

General information

The financial report is prepared for APS Benefits Group Limited and controlled entities ('the Group') for the year ended the 30 June 2020. The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). APS Benefits Group Limited is a for-profit entity for the purpose of preparing the financial statements. It is limited by guarantee, incorporated and domiciled in Australia. Its subsidiaries, APS Financial Planning Pty Ltd, APS Tax, Accounting & Business Services Pty Ltd, APS Mortgages Pty Ltd and APS Wills and Estates Pty Ltd are proprietary companies. Its other subsidiary APS Savings Ltd is a public company limited by shares.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Interpretation 23 Uncertainty Over Income Tax Treatments

Interpretation 23 clarifies how the recognition and measurement requirements of AASB 112 Income Taxes are applied where there is uncertainty over income tax treatments.

There was no impact on the Group from the adoption of this standard.

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straightline operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 July 2019.

The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6.25%. The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 30 June 2019 (as disclosed in the financial statements at 30 June 2019) to the lease liabilities recognised at 1 July 2019:

	\$
Total operating lease commitments disclosed at 30 June 2019	401,186
Discounted using incremental borrowing rate	355,376
Add: Adjustments as a result of a different treatment of extension and termination options	1,257,369
	1,612,745
Total lease liabilities recognised under AASB 16 at 1 July 2019	

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

Accounting policies

a. **Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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 the income statement 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 future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	3-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. **Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

d. **Provisions**

Provisions are recognised when the group 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.

e. **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.

f. **Goods and services tax (GST)**

The Group adheres to the financial institutions' framework of GST legislation.

g. **Goodwill**

Goodwill is calculated as the excess of the consideration paid over the acquisition date fair value of net identifiable assets acquired.

h. **Intangible assets**

Intangible assets acquired separately, or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following

initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

i. **Mortuary fund**

Subscription revenue collected and benefits (death and resignation) paid in respect to the mortuary fund are accounted for through the statement of comprehensive income. The gross change in the mortuary fund liability for the period, including any bonuses vested, is recognised in the statement of comprehensive income.

j. **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

k. **Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service, or at the date of their origin.

l. **Financial assets**

Classification of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- the entity's business model for managing the financial asset and
- the contractual cash flow characteristics of the financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade receivables, interest bearing securities and loans to members fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are within a different business model other than 'hold to collect' are categorised as fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. The Group's investments in unlisted managed funds fall into this category.

Loans to members

Loans and advances were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Interest earned

Interest is calculated on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Nonaccrual loan interest

While still legally recoverable, interest is not brought to account as income where the Group is informed that the member has deceased, or loan is impaired.

Fees on loans

The fees charged on loans are recognised as income at the point in time when the service is provided, or costs are incurred.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. There were no changes to any of the Group's business models during the current year (Prior year: Nil).

Loan impairment

AASB 9's impairment requirements use forward looking information to recognise expected credit losses - the 'expected credit loss model' (ECL).

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (performing loans) ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment (loans in default) at the reporting date.

Measurement of ECL

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Write-off

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

m. **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries, referred to as 'the Group' in these financial statements). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

n. **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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 group.

Key judgments

1. *Doubtful debts provision* - included in accounts receivable at 30 June 2020 is an amount receivable from loans made to members during the current financial year amounting to \$163,200,813 (2019: \$148,617,557). The directors believe that the full amount of the debt is recoverable, other than an amount of \$1,685,718 (2019: \$1,034,334), which has been included as the Group's expected credit loss provision at 30 June 2020.

Management have made critical accounting estimates with respect to the measurement of the Group's expected credit loss (ECL) allowance. In the current year, the approach to estimation of impairment losses has been revised following adoption of AASB 9 effective 1 July 2019. Key areas of judgement under the new standard include:

- Recognition of credit losses based on "Stage 1" 12 month expected losses and "Stage 2" and "Stage 3" lifetime expected credit losses.
- Determining criteria for significant increase in credit risk: An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets for the purposes of measuring ECL: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics.

2. *Mortuary fund liability* - the process and assumptions used to determine the mortuary fund liability are discussed further in Note 19.

o. **Comparative figures**

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

Notes to the Financial Statements

For the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
		-----	-----
2. Revenue			
Subscriptions from members		2,557,603	2,494,770
<u>Other income</u>			
Increase in market value of investments		(162,822)	189,449
Top-up fees		627,800	760,350
Fees from other services		1,395,196	1,149,638
Interest on:			
- Loan to members		13,252,743	12,374,417
- Investments		244,122	164,674
		<u>17,914,642</u>	<u>17,133,298</u>
3. Operating Surplus			
Operating surplus has been arrived at after charging the following items :			
Bad debts written off		968,223	768,858
Depreciation and amortisation			
- property, plant and equipment		61,488	70,069
- right of use assets		140,787	
Benefits paid to members		2,712,817	2,489,816
Changes in mortuary fund liabilities	19	3,639,000	6,135,000
Interest expense on debenture notes issued		2,851,046	2,152,352
Employee benefits expense			
- defined contribution plans		236,045	235,243
- other employee benefits		2,495,973	2,472,317
Total employee benefits expense		<u>2,732,018</u>	<u>2,707,560</u>
4. Net Bad Debts			
Net bad debts has been arrived at as follows:			
Bad debts written off		968,223	768,858
Less: Bad debts recovered		(70,554)	(15,372)
Change in provision for doubtful debts		651,384	(245,261)
Add: Collection costs		371,721	248,005
Net bad debts		<u>1,920,774</u>	<u>756,230</u>

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
5. Income Taxes		
(A) Income Tax Expense		
Prima facie income tax expense calculated at 27.5% on the operating surplus and abnormal items	2,144,669	2,418,321
Surplus	1,445,370	
Add:		
Change in mortuary fund	3,639,000	
Benefits paid to members	<u>2,712,817</u>	
	7,797,187	
@ 27.50%	2,144,669	2,418,321
Increase in Income Tax expense due to :-		
Non-tax assessable items :		
Entertainment expense	14,343	17,464
Non allowable deductions	511,237	120,026
Exempt member subscription income	(703,341)	(686,062)
Rebateable income	(12,109)	(10,474)
Under/(over) provisions in respect of prior years	148,231	143,694
Income tax expense attributable to operating surplus	<u>2,103,030</u>	<u>2,002,969</u>
(B) Components of Income Tax Expense		
The components of tax expense comprises:		
Current tax expense	2,383,387	1,892,876
Deferred tax expense	<u>(280,357)</u>	<u>110,093</u>
	2,103,030	2,002,969
(C) Deferred Tax Asset and Liabilities		
Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:		
	Recognised in	
	1 July 2019	profit or loss
	\$	\$
	-----	-----
Provision for doubtful debts	284,442	179,130
Employee benefits	233,734	28,509
Plant and equipment	(54,235)	(6,329)
Capital losses	141,389	78,828
Revenue Losses	112,731	(10,409)
Other	<u>(43,308)</u>	<u>10,628</u>
	674,753	280,357
		955,110
Deferred Tax Asset	772,296	1,059,266
Deferred Tax Liability	<u>(97,543)</u>	<u>(104,156)</u>
Net Deferred Tax Asset	<u>674,753</u>	<u>955,110</u>

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
6. Cash and Cash Equivalents		
Cash at bank	5,580,616	3,394,210
Cash deposits	11,079,490	5,532,534
	16,660,106	8,926,744
7. Trade and Other Receivables		
<u>Current</u>		
Trade receivables	183,135	127,724
Loans to members	69,516,875	54,691,283
	69,700,010	54,819,007
<u>Non-current</u>		
Loans to members	93,683,938	93,926,274
Less: allowance for credit losses	(1,685,718)	(1,034,334)
	91,998,220	92,891,940
<u>Total</u>	161,698,230	147,710,947

During the year the Society continued to grant loans to members of the organisation. Before granting such loans the Society conducts credit checks on each applicant to ensure their credit-worthiness. The receivables are reviewed by the credit staff on a regular basis and by management on a monthly basis.

Movement in allowance for credit losses

Balance at the beginning of year	1,034,334	1,480,089
Adjustment on adoption of AASB 9	-	(201,138)
Adjusted balance at the beginning of year	1,034,334	1,278,951
Increase/(decrease) in provision	651,384	(244,617)
Balance at the end of year	1,685,718	1,034,334

In determining the recoverability of the receivable, the Group considers any change in the credit quality of the receivable from the date the receivable was initially granted up to the reporting date. Accordingly, the Directors believe that there is no further expected credit loss provision required in excess of the allowance for credit losses.

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
8. Other Financial Assets		
<u>Current</u>		
Interest bearing securities (at amortised cost)	2,334,750	2,259,750
Units in unlisted managed funds (at fair value through profit or loss)	4,288,215	4,451,037
	6,622,965	6,710,787
<p>The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.</p>		
9. Other Current Assets		
Other current assets	66,089	27,552
Prepayments	69,095	51,696
	135,184	79,248
10. Intangibles		
Goodwill on acquisition	-	51,950
Client lists	-	10,122
	-	62,072
11. Trade and Other Payables		
<u>Current</u>		
Sundry creditors	442,408	427,590
Trade creditors	71,038	141,113
Other accruals	1,535,945	1,219,119
Debenture Notes Issued	67,600,016	51,592,076
	69,649,407	53,379,898

The average credit period on purchases of certain goods/services is 30 days. No interest is charged on trade payables for the first 60 days from the date of invoice. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The debenture notes issued are secured notes received from members and clients.

The Group's obligation to repay these monies is secured by a charge over all the present and future property, assets and undertakings of the Group.

The secured notes are repaid at the end of the note term.

Non-current

Debenture Notes Issued	9,104,708	7,116,598
	9,104,708	7,116,598

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
12. Provisions		
<u>Current</u>		
Provision for Annual Leave	316,149	260,249
Provision for LSL	614,295	576,767
<u>Non-current</u>		
Provision for LSL	23,168	12,925
Aggregate employee entitlements	23,168	12,925
	-----	-----
Number of equivalent full time employees at year end	18	18

13. Property, Plant and Equipment

Movements in carrying amounts - Consolidated

	Property, Plant & Equipment	Total
	\$	\$
	-----	-----
Gross carrying amount		
Balance at 30 June 2019	858,703	858,703
Additions	46,733	46,733
Disposals	(19,809)	(19,809)
Balance at 30 June 2020	885,627	885,627
	-----	-----
Accumulated depreciation		
Balance at 30 June 2019	469,776	469,776
Depreciation expense	61,488	61,488
Disposals	(19,809)	(19,809)
Balance at 30 June 2020	511,455	511,455
	-----	-----
Net book value		
As at 30 June 2020	374,172	374,172
	-----	-----

14. Reserves

	General Reserve	Total
	\$	\$
	-----	-----
Balance at 1 July 2019	4,446,158	4,446,158
Current year gains/(losses)	(657,660)	(657,660)
Balance at 30 June 2020	3,788,498	3,788,498
	-----	-----
Balance at 1 July 2018	6,078,909	6,078,909
Adjustment to retained earnings	201,138	-
Current year gains/(losses)	(1,833,889)	(1,833,889)
Balance at 30 June 2019	4,446,158	4,446,158
	-----	-----

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
15. Right of use assets		
Property leases	1,524,839	-
Less: accumulated amortisation	(127,070)	-
Equipment leases	87,906	-
Less: accumulated amortisation	(13,717)	-
	<u>1,471,958</u>	<u>-</u>

Movement in right of use assets during the year:

	Equipment	Property
	\$	\$
Gross carrying amount		
Balance at 30 June 2019	-	-
Changes on initial application of AASB 16	<u>1,612,745</u>	-
Amended balance 1 July 2019	1,612,745	-
Depreciation	<u>(140,787)</u>	-
Balance 30 June 2020	<u>1,471,958</u>	<u>-</u>

16. Lease liabilities

	2020	2019
	\$	\$
Current	101,532	-
Non-current	<u>1,409,072</u>	-
	<u>1,510,604</u>	<u>-</u>
Balance 1 July 2019	-	
Changes on initial application of AASB 16	<u>1,612,745</u>	
Amended balance 1 July 2019	1,612,745	
Additions	-	
Payments for leases	<u>(197,738)</u>	
Interest expense	<u>95,597</u>	
Balance at 30 June 2020	<u>1,510,604</u>	

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
17 Employee Benefits Expense		
Salaries and wages	2,384,225	2,392,176
Workers compensation insurance	8,077	6,355
Superannuation - defined contribution plans	236,045	235,243
Employee benefits provisions	103,671	73,786
	<u>2,732,018</u>	<u>2,707,560</u>
18. Key Management Compensation		
The aggregate compensation made to Directors and other members of key management personnel is:		
Short-term employee benefits	1,563,059	1,490,198
Post-employment benefits - superannuation	119,359	126,053
	<u>1,682,418</u>	<u>1,616,251</u>
Loans to Key Management		
Balance at start of period	1,575,779	1,197,559
Repayments	646,766	731,795
Additional drawdowns	1,351,758	1,047,673
Interest paid	108,064	62,342
Balance at end of period	<u>2,388,835</u>	<u>1,575,779</u>
Notes Held by Key Management		
Balance at start of period	262,285	115,919
Change in Key Management	(67,737)	-
Additional deposits	383,080	248,080
Interest received	12,635	9,473
Redemptions	(141,370)	(111,187)
Balance at end of period	<u>448,894</u>	<u>262,285</u>
19. Retirement Benefits		
Retirement benefits paid to Directors of the Company and controlled entities, being amounts that have been previously approved by the members of the Company in a general meeting.	Nil	Nil
20. Related Part Transactions		
The Group's related parties include its key management personnel and related entities as described in Note 16 Key Management Compensation. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.		
21. Mortuary Fund		
Balance at start of period	98,222,000	92,087,000
Increase in mortuary fund	3,639,000	6,135,000
Balance at end of period	<u>101,861,000</u>	<u>98,222,000</u>
Mortuary Fund - Current Liabilities	2,526,750	2,448,329
Mortuary Fund - Non Current Liabilities	99,334,250	95,773,671
a. Mortuary Fund Risk		
The mortuary fund benefits transfer risk to the Company, where the Company commits to making a payment to the member's nominated beneficiary upon the member's death. The timing of these future events are inherently uncertain. Mortuary fund risk is controlled through adequate subscription revenue, and investment returns, both of which are monitored by the appointed actuary.		

Notes to the Financial Statements

For the year ended 30 June 2020

b. Actuary's Report

The Directors' appoint an actuary to report each year on the mortuary fund liabilities of the Company, and the ability of the Company to meet them. William Szuch F.I.A.A is the actuary so appointed. William Szuch F.I.A.A has prepared the 2020 actuarial report. The actuary's valuation basis measures liability in respect of each member as the present value of future death benefits of basic cover and declared bonuses, and any bonus recommended at the review date less the present value of future premiums after an allowance for future expenses. The actuary's valuation of the mortuary liabilities as at 30 June 2020 is \$101,861,000 (2019: \$98,222,000).

Effect of changes in actuarial assumptions during the reporting period - there were no material changes in the mortuary fund liabilities due to changes in assumptions for the year ended 30 June 2020.

Variable	Impact of movement in underlying variable
Expenses risk	An increase in the level of expenses over assumed levels will decrease any surplus and reserves.
Interest rate risk	Depending on the profile of the investment portfolio, the investment income of the Company will reduce as interest rates decrease. The impact on the surplus and reserves depends on the relative profiles of assets and liabilities to the extent that they are not matched.
Mortality rates	Greater mortality rates will lead to higher levels of claims, which is likely to increase benefit payments and therefore reduce any surplus and reserves.
Discontinuance	Any increase in the discontinuance rate has a positive impact on the surplus and reserves.
Market risk	As no benefit payment is contractually linked to the underlying assets, the Company is exposed to market risk.

c. Sensitivity Analysis

Sensitivity analysis is conducted to quantify the exposure to risk, as a result of changes in the underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the profit and equity of the Company. The table below describes how the change in each assumption for a particular year will affect the mortuary fund liabilities and provides an analysis of the sensitivity of the surplus and equity changes in these assumptions.

Impact of changes in variables

Variable	Movement	Changes in liabilities
Insured life mortality	Worsening by 10%	\$244,534
Lapses and surrenders	Worsening by 10%	\$26,747
Administration expenses	Worsening by 10%	\$1,031,466

Notes to the Financial Statements

For the year ended 30 June 2020

	Consolidated	
	2020	2019
	\$	\$
	-----	-----
22. Capital and Leasing Commitments		
Lease of building and operating lease of office equipment		
Non-cancellable operating leases contracted for, but not capitalised in the financial statements:		
Payable:		
Not later than one year	-	190,008
Later than one, but not later than five years	-	211,178
	<u>-</u>	<u>401,186</u>

From 1 July 2019, the Company has recognised right-of-use assets for these leases

23. Contingent Liabilities

The Directors are not aware of any contingent liabilities that the Group needs to provide for.

24. APSBS Group Life Trust

The Company is Trustee of the APSBS Group Life Trust which provides term insurance cover for certain members who were formerly in the Vic and Tas Friendly Society Ltd Term Fund C.

25. Members Guarantee

The principal Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 26,765 (2019: 26,989), and therefore, the total amount that members are liable to contribute if the Company was wound up at 30 June 2020 was \$133,825.

26. Subsidiaries

	Country of Incorporation	Ownership %
Parent Entity		
APS Benefits Group Ltd	Australia	
Subsidiaries		
APS Financial Planning Pty Ltd	Australia	100
APS Tax, Accounting and Business Services Pty Ltd	Australia	100
APS Savings Limited	Australia	100
APS Wills and Estates Pty Ltd	Australia	100
APS Mortgages Pty Ltd	Australia	100

27. EVENTS AFTER BALANCE SHEET DATE

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

DIRECTORS' DECLARATION

The Directors declare that:

1. The consolidated financial statements and notes of APS Benefits Group Ltd, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001*; including:
 - (a) giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. In the Directors' opinion there are reasonable grounds to believe that APS Benefits Group Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 295(5) of the *Corporations Act 2001*.



Chair – G Milner



Director – K Kieni

Dated this 28th day of September 2020.

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Independent Auditor's Report

To the Members of APS Benefits Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of APS Benefits Group Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b 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 Group in accordance with 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* (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.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual 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.

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 of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

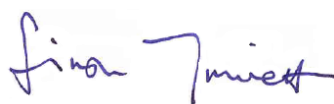
Auditor's responsibilities for the audit of the financial report

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

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/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 28 September 2020