

Steel Stewardship Council Limited

ABN: 24 610 479 000

Financial Statements

For the Year Ended 31 December 2020

Steel Stewardship Council Limited

ABN: 24 610 479 000

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For the Year Ended 31 December 2020

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Steel Stewardship Council Limited

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Directors' Report 31 December 2020

The directors present their report on Steel Stewardship Council Limited for the financial year ended 31 December 2020.

Information on directors

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

Director (Co-Chair)	Alan Knight, ArcelorMittal (Resigned 31 March 2021)
Director (Co-Chair)	Gerard Anthony Tidd, Bluescope Steel
Director (Deputy Chair)	Francis John Sullivan, HSBC
Executive Director	Matthew George Wenban-Smith, OneWorldStandards (Resigned 14 May 2020)
Director	Andrew Marjoribanks, Venlaw Park
Director	Matthias Hartwich, IndustriALL
Director	Guila Carbone, IUCN (Resigned 19 March 2021)
Director	Thomas Maddox, Fauna & Flora International (Resigned 31 March 2021)
Director	Bradley Davey, ArcelorMittal (Appointed 1 April 2021)
Director	Anna Lyons, Fauna & Flora International (Appointed 1 April 2021)

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

Principal activities

The role of the Board is amongst other things, to be responsible for overseeing the implementation of SSC's Objects (as set out in the Constitution) and governance, setting the Company's overall strategy, direction and budget, and provide leadership in the management of effective relationships with SSC's stakeholders. The Board shall set the framework within which the Company's activities are to be conducted in the ordinary course, ensure that effective systems of internal control are established and maintained, and provide oversight of the overall management of SSC's activities.

1.1 The day to day management of the Company and its activities is delegated to the SSC Executive Director, in accordance with the direction of the Board, adopted plans and policies.

1.2 The Board shall:

1.2.1. Oversee and approve the Company's finances.

1.2.2. Oversee and approve the ED's work programme.

1.2.3. Ensure the organisation is true to law, constitution, bylaws and purpose of organisation.

1.2.4. Fulfil its role in the standards approval process (as detailed in the ResponsibleSteel Standards Setting Procedure), including its role as a decision-making body on issues referred to it by the Standards Committee, where the Standards Committee has not been able to achieve consensus.

1.2.5. Act as an interface between the Company and its members.

1.2.6. Set the goals of the Company, including short, medium and long term objectives.

1.2.7. Approve the overall strategic direction of Company.

1.2.8. Approve policies governing the operations of the Company.

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Directors' Report 31 December 2020

Principal activities

- 1.2.1. Establish and determine the powers and functions of the committees of the Board.
- 1.2.2. Appoint the ED, and to approve and review the terms and conditions of the engagement).
- 1.2.3. Approve major operating plans (including employee resources), and strategic plan.
- 1.2.4. Approve the annual budget and long term budgets.
- 1.2.5. Review the annual progress and performance of the Company in meeting its objectives, including reporting the outcome of such reviews.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Organisational: ResponsibleSteel is a fully functional, financially stable, multi-stakeholder governed membership organisation capable of meeting its members' expectations and achieving its vision.
- Membership: ResponsibleSteel has a credible, diverse international membership which is achieving value from its participation in the ResponsibleSteel programme:
- Standards: ResponsibleSteel standards define credible requirements for the responsible sourcing of raw materials and for the production of steel:
- Assurance: The ResponsibleSteel Assurance Programme is fully operational and provides credible assurance of compliance with ResponsibleSteel standards:
- Demand and Value Generation: The ResponsibleSteel programme, standards, brand and associated claims are recognised and generate value for key stakeholders
- Impact: ResponsibleSteel has a system in place, capable of monitoring the effectiveness of ResponsibleSteel's theory of change and measuring progress towards the achievement of ResponsibleSteel's vision

Long term objectives

The Company's long term objectives are to:

- The ResponsibleSteel Secretariat has sufficient personnel to deliver its programme in line with its long-term vision, including effective ResponsibleSteel representation in key regions (China, Europe, Japan, India, Russia, South America, North America)
- There is an effective HR system in place, managing contracts, training and other HR issues
- There are effective IT systems in place providing 24/7 support, backup, etc.
- ResponsibleSteel's multi-stakeholder governance is operating effectively

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Directors' Report 31 December 2020

Long term objectives

- ResponsibleSteel is generating sufficient revenue to cover its costs
- ResponsibleSteel has three months of unallocated operating reserve

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

ResponsibleSteel has a three-year work plan signed off by the Board covering the six areas of priority objectives.

Members' guarantee

Steel Stewardship Council Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ NIL for members that are corporations and \$ NIL for all other members, subject to the provisions of the company's constitution.

At 31 December 2020 the collective liability of members was \$ NIL (2019: \$NIL).

Operating results

The loss of the Company after providing for income tax amounted to \$ 12,118 (2019: surplus of \$5,464).

Events after the reporting date

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

Information on directors

Alan Knight, ArcelorMittal
(Resigned 31 March 2021)

Qualifications	BSC, PhD, OBE, Clinton Global Citizen, Honour Fellow of Environment Society.
Experience	Head of SD, ArcelorMittal, various SD roles in corporate's, Director of FSC, IRMA
Special Responsibilities	SDC Commission, Chair of ACCPE, co-chair ResponsibleSteel Board, member of ResponsibleSteel Standards & Assurance Committee

Gerard Anthony Tidd,
Bluescope Steel

Qualifications	MBA (International Mgmt, RMIT University, Melbourne), GAICD (Graduate, Australian Institute of Company Directors).
Experience	Founding Director of Manufacturing Australia since 2010, Director and Co-Chair of ResponsibleSteel since 2017. Executive Vice President, Corporate, BlueScope since 2006. Director, Investor Relations Strategies and Pacific Strategies 1996-2006
Special Responsibilities	Member of ResponsibleSteel Finance & Risk Committee

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Directors' Report 31 December 2020

Information on directors

Francis John Sullivan, HSBC

Qualifications MSc (Oxon) Forestry and its Relation to Land Use
Experience WWF (1987-2004), HSBC (2004-2018), SBP Board member (2018- present)
Special Responsibilities Deputy Chair to March 2021, Senior Adviser from April 2021

Andrew Marjoribanks, Venlaw Park

Qualifications BSc Applied Chemistry(Metallurgical Side) University of Glasgow Chartered Engineer (CEng) Member Institute of Mining Metals and Materials (MIMM)
Experience Director Australian Quality Council 1997 – 2002 (Chair 1999-2002)
Director EPD Australasia Ltd 2014 – 2020
Director Australian Life Cycle Assessment Society 2006 – present
Director Steel Stewardship Council (SSC Ltd) 2016 – present.
Various senior executive external affairs and marketing roles, BHP Steel (now BlueScope)
Retired from full time employment 2003
Special Responsibilities Nil

Matthias Hartwich, IndustriALL

Qualifications Political scientist (diploma, university of Bremen) CAS (certificate of advanced studies), zhaw (Züricher Hochschule für angewandte Wissenschaften): Corporate Responsibility - Social Management
Experience Executive of a local unit of German Construction Workers' trade union
Central Secretary in a Swiss multi professional Trade Union > CBA negotiations in Cement industry
Director @ IndustriALL Global Union (since 2013)
Special Responsibilities Global Framework Agreements
IndustriALL representative at OECD Steel Committee

Guila Carbone, IUCN
(Resigned 19 March 2021)

Qualifications MSc in Marine Policy
Experience Currently member of the ASI Standards Committee
Special Responsibilities Nil

Thomas Maddox, Fauna & Flora International (Resigned 31 March 2021)

Qualifications BSc., MBA, PhD
Experience Zoological Society of London (1999-2010), Cambridge Institute for Sustainability Leadership (2011-12), WWF (2013-14), FFI (2015-2021). Other standards: RSPO (Biodiversity Committee), Aluminium Stewardship Initiative (Standards Committee), Bettercoal (Standards Committee)
Special Responsibilities Chair of Responsible Steel Membership and Governance Committee (2019-2021)

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Directors' Report 31 December 2020

Meetings of directors

During the financial year, 18 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Eligible to attend	Attended
Alan Knight	10
Gerard Anthony Tidd	9
Francis John Sullivan	18
Matthew George Wenban-Smith	14
Andrew Marjoribanks	10
Matthias Hartwich	6
Guila Carbone	7
Thomas Maddox	9

Indemnification and insurance of officers and auditors

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2020 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Director:

Dated



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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Steel Stewardship Council Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Judy Brown

Judy Brown CA B Bus RCA 457300
29 April 2021

Newcastle NSW

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	1,143,741	725,814
Other income	4	-	6,187
Contractor's expense		(702,446)	(513,143)
Consulting and professional fees		(86,771)	(73,370)
Accounting fees		(65,327)	(31,753)
Legal expenses		(17,356)	(1,710)
Subscriptions		(876)	(832)
Filing fees		(1,240)	(1,370)
Software expenses		(12,717)	(4,436)
Account fees		(651)	(3,211)
Insurance		(3,849)	-
Other expenses		(144,452)	(68,083)
Foreign exchange losses		(120,174)	(28,629)
(Deficit)/surplus before income tax		(12,118)	5,464
Income tax expense	2(b)	-	-
(Deficit)/surplus for the year		(12,118)	5,464
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(12,118)	5,464

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	324,711	437,953
Trade and other receivables	6	791,638	62,741
TOTAL CURRENT ASSETS		<u>1,116,349</u>	<u>500,694</u>
NON-CURRENT ASSETS			
Intangible assets		9,030	-
TOTAL NON-CURRENT ASSETS		<u>9,030</u>	<u>-</u>
TOTAL ASSETS		<u>1,125,379</u>	<u>500,694</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	117,063	247,906
Income in advance		767,646	-
TOTAL CURRENT LIABILITIES		<u>884,709</u>	<u>247,906</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>884,709</u>	<u>247,906</u>
NET ASSETS		<u>240,670</u>	<u>252,788</u>
EQUITY			
Retained earnings		240,670	252,788
TOTAL EQUITY		<u>240,670</u>	<u>252,788</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2020

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	252,788	252,788
Deficit for the year	(12,118)	(12,118)
Balance at 31 December 2020	240,670	240,670
Balance at 1 January 2019	247,324	247,324
Operating surplus	5,464	5,464
Balance at 31 December 2019	252,788	252,788

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,205,579	761,904
Payments to suppliers and employees	<u>(1,309,791)</u>	<u>(552,174)</u>
Net cash provided by/(used in) operating activities	<u>(104,212)</u>	<u>209,730</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	<u>(9,030)</u>	-
Net cash provided by/(used in) investing activities	<u>(9,030)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(113,242)	209,730
Cash and cash equivalents at beginning of year	<u>437,953</u>	<u>228,223</u>
Cash and cash equivalents at end of financial year	5 <u><u>324,711</u></u>	<u><u>437,953</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2020

The financial report covers Steel Stewardship Council Limited as an individual entity. Steel Stewardship Council Limited is a not-for-profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of Steel Stewardship Council Limited is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be recognised reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from donations are recognised on receipt. Revenue from membership is recognised upon invoice as it is not enforceable nor are there sufficiently specific performance obligations.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Financial instruments

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

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

Financial assets

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

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Notes to the Financial Statements For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

Classification

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

- amortised cost
- fair value through profit or loss or other comprehensive income

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

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

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

Impairment of financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(e) Cash and cash equivalents

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

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - receivables

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

Key estimate - COVID19

During the 2020 financial year the industry was indirectly impacted by the required shut downs caused by the Covid19 pandemic. The organisation has implemented Covid safe policies in place and developed a Business Continuity Plan. The virus will continue to have an ongoing effect on the organisation, in particular our ability to deliver its in person events strategy however, it is not felt that this has caused a going concern issue and management will continue to review the finances of the organisation.

Key estimate - Foreign exchange

As a part of the foreign currency exchange rate changes have a direct effect on the future cashflows of the entity. As the rates move over time. The entity monitors the movements to ensure the appropriate exchange rate is used.

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Notes to the Financial Statements For the Year Ended 31 December 2020

4 Revenue and Other Income

	2020	2019
	\$	\$
Revenue recognised at a point in time		
- Membership fees	595,444	436,698
- Corporate donations	300,565	203,831
- Sponsor fees	4,579	33,145
- The climate group for steel buyers alliance project	(4,903)	52,140
- Certification fees	22,799	-
- Project: ISEAL project preparation	169,432	-
- Project: NZSPMP	55,825	-
	<u>1,143,741</u>	<u>725,814</u>

5 Cash and Cash Equivalents

Cash at bank and in hand	<u>324,711</u>	<u>437,953</u>
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6 Trade and Other Receivables

CURRENT		
Trade receivables	791,638	77,000
Provision for impairment	-	(14,259)
	<u>791,638</u>	<u>62,741</u>

7 Trade and Other Payables

CURRENT		
Trade payables	80,951	244,404
GST payable	30,112	3,502
Accrued expenses	6,000	-
	<u>117,063</u>	<u>247,906</u>

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

9 Events Occurring After the Reporting Date

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

Steel Stewardship Council Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2020

10 Statutory Information

The registered office and principal place of business of the company is:

Steel Stewardship Council Limited
755 Hunter Street
NEWCASTLE WEST NSW 2302

Steel Stewardship Council Limited

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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

Director

Dated

Steel Stewardship Council Limited

Independent Audit Report to the members of Steel Stewardship Council Limited

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Steel Stewardship Council Limited (the Company), which comprises the statement of financial position as at 31 December 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 my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

Opening balances

I wish to bring to the members attention that the opening balances were tested based on information provided by PKF as they were the reviewers at the time. We found no material issues with the balances.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the

preparation of 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 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.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 the 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. I 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 my 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 my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 my audit.

I also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in my report because the adverse

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consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Judy Brown

Judy Brown CA B Bus 457300

Location Newcastle NSW
29 April 2021

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