

GMIC Limited

ACN 089 510 529

Financial Statements

For the Year Ended 30 June 2019

Contents

30 June 2019

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Directors' Report

30 June 2019

Your directors present their report on GMIC Limited for the financial year ended 30 June 2019.

General information

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

| | |
|-----------------|------------------------------|
| Lyn George | |
| Bernard Brussow | |
| Jamie Baensch | |
| David Sykes | |
| Ian David Kett | |
| Thys Heyns | (Appointed 28 November 2018) |
| David Sinclair | (Resigned 28 November 2018) |

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

Information on Directors

| <i>Director</i> | <i>Qualifications and Experience</i> |
|-----------------|---|
| Lyn George | <p>Corporate Director and Co-owner of Austeng</p> <p>Lyn graduated from the University of Melbourne with an Arts/Law (hons) degree. After initially working as a lawyer, since 1995 Lyn has worked at Austeng in a managerial role. In the last few years her focus has been on business strategy and vision, as Austeng has transitioned from reliance on traditional sectors such as automotive to clean tech and advanced manufacturing. They work with many start ups and universities to assist in commercializing innovative technologies.</p> <p>Austeng has been inducted into the Victorian Manufacturing Hall of Fame in recognition of its outstanding reputation and track record in the industry and is the recipient of the 2014 and 2016 R&D/Innovation Award for Engineers Australia (Vic).</p> <p>In addition to her current role at Austeng and Chair of the GMC she is also</p> <ul style="list-style-type: none">• A Board member of the Geelong Chamber of Commerce• Member ManuFutures advisory board• Member Geelong UNESCO City of Design Working Group <p>Director of two early stage start-up companies</p> |
| Bernard Brussow | <p>Chief Operating Officer at FormFlow</p> <p>Bernard graduated from the University of South Africa with a Bachelor's degree in commerce. He also has a financial management diploma. After returning from the USA, he focused on extending his experience in manufacturing and strategy as the Operations Director for a Murray & Roberts manufacturing division and then as General Manager and Director of a German owned business in South Africa. In Australia, as the CEO, he led IXL through the turbulent effects of the exit of automotive manufacturing and the closure of Alcoa. Bernard shares a passion for innovation and disruption; he is currently the COO at FormFlow and assists Deakin's ManuFutures start-ups by supporting them with connecting to the market and scalability opportunities.</p> |
| Jamie Baensch | <p>General Manager of Air Radiators</p> <p>Qualification: Mechanical engineer at Swinburne Institute of Technology</p> <p>Jamie is an experienced and successful General Manager and Professional Engineer, having run product design and vertically integrated manufacturing companies in Australia, China and Thailand. He has core competencies in strategic planning, business management, product development, project management and lean manufacturing operations. Jamie started his career at Marand as a graduate engineer, then moved to Ford as a chassis and driveline engineer. In 1994 he joined Air International where he progressed into executive management roles. In 2006 he left the automotive industry and worked as a Business</p> |

Directors' Report

30 June 2019

| Director | Qualifications and Experience |
|----------------|--|
| | <p>Advisor for the Federal Government program Enterprise Connect. Then in 2008 he returned to Marand and in 2010 joined Air Radiators as General Manager. In addition to his working role Jamie is;</p> <ul style="list-style-type: none"> • Advisory Councillor to both the Victorian and National Councils for the Ai Group • Advisory Board Member, School of Engineering, Deakin University, • Advisory Board Member, Institute for Intelligent Systems Research and Innovation (IISRI), Deakin University • Director of the Australian Defence Alliance - Victoria <p>Director (and past Chair) of the Geelong Manufacturing Council</p> |
| David Sykes | <p>General Manager Backwell IXL</p> <p>David is an experienced practitioner in manufacturing with roles at Tubemakers, Email, Boral and Backwell IXL, at operational and executive levels.</p> <p>As well David has assisted SMEs to grow profitably with business development and coaching roles.</p> <p>David graduated from the University of South Australia with a Bachelor of Applied Science (Secondary Metallurgy), as well as an Associate Diploma in Industrial Engineering.</p> <p>He has actively assisted the business community as a Director of the GMC (18 years) and past Chair (6 years). As well as member and past Chair (4 years) of the Australian Foundry Institute (Vic).</p> <p>David also serves the community through membership and Past President of Rotary Geelong East, as well as mentoring roles assisting emerging leaders.</p> |
| Ian David Kett | <p>Director of Strategic Programs, Office of the Deputy Vice-Chancellor (Research) Deakin University</p> <p>Ian has a Bachelor of Education (PE), a Graduate Diploma in Recreation and is a Graduate of the Australian Institute of Company Directors. He has been an Executive Director in the health field, a Board member of eight entities across health and manufacturing fields and a deliverer of major initiatives for Deakin including Carbon Nexus, AFFRIC, Microgrid, Future Food and the manufacturing precinct development.</p> |
| Thys Heyns | <p>Executive General Manager, Refining at Viva Energy Australia</p> <p>Thys Heyns has more than 30 years' experience in the oil and gas industry. Prior to joining Viva Energy in February 2015, Thys was with BP for 28 years in an international career across four continents that covered Supply Chain, Oil Trading and Refining.</p> <p>Thys is an experienced Refining executive with his most recent roles including General Manager of the 400kb/d BP Rotterdam Refinery and the 140kb/d BP Kwinana Refinery in Western Australia. Prior to that, Thys was the Commercial General Manager for BP's global refining portfolio.</p> <p>Thys' academic qualifications include a Bachelor of Commerce (Hons) in Accounting and Economics as well as a Master in Business Administration. In addition, he has attended executive education programs at Stanford University, Cambridge University and Massachusetts Institute of Technology (MIT).</p> |

Directors' Report

30 June 2019

Directors' Meetings

The number of Directors' meetings held during the year ended 30 June 2019 and the number of meetings attended by each Director were:

| | Full meetings of Directors |
|--|-----------------------------------|
| Number of meetings held: | 6 |
| Number of meetings attended by: | |
| Lyn George | 6 |
| Bernard Brussow | 6 |
| Jamie Baensch | 6 |
| David Sykes | 6 |
| Ian David Kett | 6 |
| Thys Heyns (Appointed 28 November 2018) | 3 |
| David Sinclair (Resigned 28 November 2018) | 3 |

Review of operations and financial results

The profit of the company for the financial year amounted to \$53,770 [2018 loss: \$25,732].

Vision

To position Geelong as an internationally competitive manufacturing centre in the 21st century through:

- Developing and sharing sustainable practices
- Encouraging the growth of technologically advanced manufacturing
- Promoting a favourable environment for manufacturing innovation

Significant Changes in the State of Affairs

No significant changes to programs and activates impacting on changes to the business were experienced during the year.

Principal Activities

The principal activities of the company during the financial year were to promote manufacturing in the Geelong region, support and provide leadership for manufacturing and facilitate communication and cooperation between local manufacturing, industry, government and stakeholders.

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

Events Subsequent to the End of the Reporting Period

At the date of this report, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Directors' Report

30 June 2019

Environmental Regulation

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

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

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

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



Lyn George
Chairman

Dated this 22nd day of November 2019

Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of GMIC Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- 1) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) Any applicable code of professional conduct in relation to the audit.

CROWE MELBOURNE



MARTIN THOMPSON
Partner

Geelong Victoria
Dated this 25th day of November 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Melbourne, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

Statement of Comprehensive Income

For the Year Ended 30 June 2019

| | Note | 2019 \$ | 2018 \$ |
|---|------|--------------------|--------------------|
| Corporate Membership & Sponsorship | | 371,575 | 248,907 |
| Project Sponsorship & Grants | | 1,804,684 | 1,711,058 |
| Project management | | 50,536 | 47,276 |
| Interest received | | 1,671 | 2,528 |
| Total income | | 2,228,466 | 2,009,769 |
| Depreciation and amortisation expense | | (3,699) | (5,362) |
| Administration expense | | (209,954) | (208,333) |
| Marketing expense | | (35,766) | (8,167) |
| Office, IT, and occupancy expense | | (385,669) | (251,658) |
| Project expense | | (1,539,608) | (1,561,980) |
| Total expenditure | | (2,174,696) | (2,035,501) |
| Surplus (deficit) from continuing operations | | 53,770 | (25,732) |
| Other Comprehensive Income | | - | - |
| Net Surplus (deficit) for the year | | 53,770 | (25,732) |

Statement of Financial Position

As At 30 June 2019

| | Note | 2019 \$ | 2018 \$ |
|----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 304,777 | 348,060 |
| Trade and other receivables | 3 | 530,796 | 370,441 |
| TOTAL CURRENT ASSETS | | 835,573 | 718,501 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 7,322 | 11,021 |
| TOTAL NON-CURRENT ASSETS | | 7,322 | 11,021 |
| TOTAL ASSETS | | 842,895 | 729,522 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 5 | 122,272 | 133,397 |
| Provisions | 6 | 79,133 | 78,405 |
| Income in Advance | 7 | 132,079 | 62,079 |
| TOTAL CURRENT LIABILITIES | | 333,484 | 273,881 |
| TOTAL LIABILITIES | | 333,484 | 273,881 |
| NET ASSETS | | 509,411 | 455,641 |
| ACCUMULATED FUNDS | | | |
| Retained earnings | | 509,411 | 455,641 |
| TOTAL ACCUMULATED FUNDS | | 509,411 | 455,641 |

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

| | Retained Earnings \$ | Total \$ |
|---|----------------------------|----------------|
| Balance at 1 July 2018 | 455,641 | 455,641 |
| Surplus attributable to members of the entity | 53,770 | 53,770 |
| Balance at 30 June 2019 | 509,411 | 509,411 |

2018

| | Retained Earnings \$ | Total \$ |
|---|----------------------------|-----------------|
| Balance at 1 July 2017 | 481,373 | 481,373 |
| Deficit attributable to members of the entity | (25,732) | (25,732) |
| Balance at 30 June 2018 | 455,641 | 455,641 |

Statement of Cash Flows

For the Year Ended 30 June 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|-----------------|------------------|
| CASH FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | | 2,350,084 | 1,871,862 |
| Payments to suppliers and employees | | (2,395,038) | (2,081,030) |
| Interest received | | 1,671 | 2,528 |
| Net cash used in operating activities | 11 | <u>(43,283)</u> | <u>(206,640)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of property, plant and equipment | | - | (1,680) |
| Net cash used by investing activities | | <u>-</u> | <u>(1,680)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Net cash used by Financing activities | | <u>-</u> | <u>-</u> |
| Net decrease in cash and cash equivalents held | | (43,283) | (208,320) |
| Cash and cash equivalents at beginning of year | | 348,060 | 556,380 |
| Cash and cash equivalents at end of financial year | 2 | <u>304,777</u> | <u>348,060</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The Directors' have prepared special purpose financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures* as appropriate for not-for-profit oriented entities.

The significant accounting policies disclosed below are those which the Directors' have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes.

(b) Revenue and other income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of GMIC Limited's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Membership fees

Membership fees are recognised upon invoicing and are valid for a 12-month period. As membership fees are not subject to refund they are immediately recognised as revenue at that point.

Sponsorship income

Sponsorship income is recognised over the period to which it relates, usually over a calendar year.

Grant revenue

Grant revenue is recognised in the income statement when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

GMIC Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the income statement.

Donations

Donations are recognised as revenue when received.

Interest revenue

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

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

1 Summary of Significant Accounting Policies (continued)

(c) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

| Class of Fixed Asset | Depreciation Rate |
|----------------------|-------------------|
| Office Equipment | 33.3% |

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 and losses are included in the statement of comprehensive income.

(e) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability.

(f) Income tax

No provision for income tax has been raised as the company has assessed that it is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(g) Employee benefits provision

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(h) Goods and services tax (GST)

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

(i) Economic dependence

A significant portion of Geelong Manufacturing Council Inc revenue is derived from Department of Business & Innovation. GMIC Limited is dependent on continued revenue from the Department of Business and Innovation for its continued ability to carry on normal activities in its current structure. The board has no reason to believe this funding will not be ongoing.

(j) New, Revised or Amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

Accounting Standards adopted

AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* became effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. While this represents significant new guidance, the implementation of this new guidance had no material impact on the measurement of transactions and balances recognised in the financial statements.

(k) Accounting Standard issued but not yet adopted

AASB 15 Revenue from Contracts with Customers

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

AASB 16 Leases

Management has considered the recognition and measurement requirements of AASB 16 Leases in conjunction with the existing operating lease agreements between the Company and its suppliers. Based on this assessment, management concluded that there will be no material impact to the financial statement when AASB 16 is adopted and applied during the period.

AASB 1058 Income of Not-for-Profit Entities

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 *Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Financial Statements

For the Year Ended 30 June 2019

(I) Critical accounting estimates and judgments

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

Impairment of plant and equipment

The company assesses impairment at the end of the reporting year by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

| | 2019 | 2018 |
|---|----------------|----------------|
| | \$ | \$ |
| 2. Cash and Cash Equivalents | | |
| Cash at bank and in hand | 204,777 | 248,060 |
| Term Deposits – maturity of 3 months or less | 100,000 | 100,000 |
| Total cash and cash equivalents | <u>304,777</u> | <u>348,060</u> |
| 3. Current Trade and Other Receivables | | |
| Trade receivables | 469,002 | 379,384 |
| Accrued revenue | 70,000 | - |
| Provision for expected credit losses | (8,206) | (8,943) |
| Total trade and other receivables | <u>530,796</u> | <u>370,441</u> |
| 4. Plant and Equipment | | |
| Office equipment | | |
| At cost | 36,963 | 36,963 |
| Accumulated depreciation | (29,642) | (25,942) |
| Total plant and equipment | <u>7,322</u> | <u>11,021</u> |

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of Office equipment between the beginning and the end of the current financial year:

Office Equipment

| | | |
|----------------------------------|--------------|---------------|
| Balance at the beginning of year | 11,021 | 14,703 |
| Additions | - | 1,680 |
| Depreciation expense | (3,699) | (5,362) |
| Balance at 30 June | <u>7,322</u> | <u>11,021</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2019

| | 2019 \$ | 2018 \$ |
|--|----------------|----------------|
| 5. Current Trade and Other Payables | | |
| Trade payables | 4,045 | 36,971 |
| Payroll Liabilities | 56,998 | 31,095 |
| ATO payables (receivables) | 61,229 | 65,331 |
| Total trade and other payables | <u>122,272</u> | <u>133,397</u> |
| 6. Current Provisions | | |
| Provision for Annual Leave | <u>79,133</u> | <u>78,405</u> |
| 7. Current Income in Advance | | |
| Income in advance | <u>132,079</u> | <u>62,079</u> |

8. Controlled Entity

GMIC signed a Grant Agreement with the Department of Economic Development, Jobs, Transport & Resources (DJTR) for the Advanced Fibre Cluster Project. Advanced Fibre Cluster Geelong Ltd (AFCGL) was registered to oversee the project. Grants received from DJTR was provided by GMIC to fully support AFCGL. As at 30 June 2019, total project spending amounted to \$44,838.

9. Contingent liabilities and Contingent Assets

In the opinion of the Directors, the company did not have any contingencies at 30 June 2019 (2018: \$nil).

10. Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the company. As at 30 June 2019 the number of members was 97 - (2018: 82).

| | |
|-------------|-------------|
| 2019 | 2018 |
| \$ | \$ |

11. Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities

| | | |
|--|------------------|------------------|
| Surplus for the year | 53,770 | (25,732) |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - Depreciation | 3,699 | 5,362 |
| Changes in assets and liabilities | | |
| - Increase in trade and other receivables | (160,355) | (296,829) |
| - increase/(decrease) in trade and other payables | (11,125) | 100,186 |
| - increase in employee benefits | 728 | 41,492 |
| - increase/(decrease) in income in advance | 70,000 | (31,119) |
| Cash flow used in operations | (43,283) | (206,640) |

12. Capital and Leasing Commitments

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements. This related to the rent of GMC offices in Geelong and the lease of the photocopier.

Payable - minimum lease payments:

| | | |
|---------------------------------|---------------|---------------|
| - no later than 12 months | 52,638 | 51,813 |
| - between 12 months and 5 years | - | - |
| | 52,638 | 51,813 |

13. Company Details

The registered office of the company is:
82 Brougham St
P.O. Box 638
Geelong VIC 3220

14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has 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.

Directors Declaration

Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001:
 - a) Comply with Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) Give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 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.



Lyn George
Director

Dated this 22nd day of November 2019

Independent Auditor's Report To the Members of GMIC Limited

Opinion

We have audited the financial report of GMIC Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of 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 of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Melbourne, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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

The Directors' are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 the audit.

CROWE MELBOURNE

A handwritten signature in black ink, appearing to read "Martin Thompson".

MARTIN THOMPSON

Partner

Dated at Geelong this 25th day of November 2019