

# **GMIC Limited & Controlled Entities**

**ACN 089 510 529**

**Financial Statements**

**For the Year Ended 30 June 2020**

## **GMIC Limited & Controlled Entities**

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**30 June 2020**

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## GMIC Limited & Controlled Entities

### Directors' Report

30 June 2020

Your directors present their report on GMIC Limited & Controlled Entities for the financial year ended 30 June 2020.

#### 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 (also Director of Advanced Fibre Cluster)  
Bernard Brussow  
Jamie Baensch  
David Sykes  
Ian David Kett  
Thys Heyns  
Peter Dale (appointed 27/11/2019)

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&amp;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"><li>• Former Director of the Geelong Chamber of Commerce</li><li>• Member Geelong UNESCO City of Design Working Group</li><li>• Advisor to numerous early stage start-up companies</li></ul>
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 &amp; 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 2020

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"> <li>• Advisory Councillor to both the Victorian and National Councils for the Ai Group</li> <li>• Advisory Board Member, School of Engineering, Deakin University,</li> <li>• Advisory Board Member, Institute for Intelligent Systems Research and Innovation (IISRI), Deakin University</li> <li>• Director of the Australian Defence Alliance - Victoria</li> </ul> <p>Director (and past Chair) of the Geelong Manufacturing Council</p>
David Sykes	<p>Director of Sykes Consulting</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>Chief Operating Officer (COO), 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>
Peter Robert John Dale	<p>Company Director/Consultant</p> <p>Education/Qualifications: B.Eng, MBA, GAICD</p> <p>IXL Group, Non-Executive Director, Sep 2019 - present  A.F.Gason Pty Ltd, Non-Executive Director, Feb 2018 – present.  True North Advisory, Director, Mar 2019 - present  Volgren Australia Pty Ltd, CEO, Managing Director, 1999 - Mar 2019  ABB, General Manager, Engineering Manager, Manufacturing Manager, 1989 - 1999</p>

## GMIC Limited & Controlled Entities

### Directors' Report

30 June 2020

#### Directors' Meetings

The number of Directors' meetings held during the year ended 30 June 2020 and the number of meetings attended by each Director were:

	Full meetings of Directors
<b>Number of meetings held:</b>	6
<b>Number of meetings attended by:</b>	
Lyn George	6
Bernard Brussow	6
Jamie Baensch	5
David Sykes	6
Ian David Kett	4
Thys Heyns	6
Peter Dale (appointed 27/11/2019)	4

#### Review of operations and financial results

The surplus of the consolidated entity for the financial year amounted to \$4,512 [2019: \$53,770].

#### Vision

To position Geelong as an internationally competitive manufacturing centre in the 21<sup>st</sup> 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 activities impacting on changes to the business were experienced during the year.

#### Principal Activities

The principal activities of the consolidated entity 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

The Coronavirus (COVID-19) pandemic continues to impact Metropolitan Melbourne, Regional Victoria and Nationally where the Group has operations. From 6 August 2020, metropolitan Melbourne was placed in Stage 4 lockdown, and regional Victoria was placed in stage 3 lockdown as part of the Victorian Government State of Disaster measures to flatten the COVID-19 active cases.

The Group has responded to all Government measures and has COVID-safe plans. The potential impact on the company's operations, cashflows and financial position cannot be reasonably estimated.

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 consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

## Directors' Report

30 June 2020

### Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated entity 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 consolidated entity.

### Environmental Regulation

The consolidated entity'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 Consolidated entity

No person has applied for leave of court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings. The consolidated entity 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 10<sup>th</sup> day of November 2020

## Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of GMIC Limited and its Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 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.

A handwritten signature in grey ink that reads "Crane Melbourne".

**CROWE MELBOURNE**

A handwritten signature in grey ink that reads "Cgravenall".

**CASSANDRA GRAVENALL**  
**Partner**

**Geelong Victoria**  
**Dated this 20<sup>th</sup> day of November 2020**

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.

## Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	CONSOLIDATED	
		2020 \$	2019 \$
Corporate Membership & Sponsorship		357,533	371,575
Project Sponsorship & Grants		1,654,625	1,804,684
Advanced Fibre Cluster income		294,867	-
ATO Cash Boost		50,000	-
Project management		-	50,536
Interest received		249	1,671
<b>Total income</b>		<b>2,357,274</b>	<b>2,228,466</b>
Advanced Fibre Cluster expense		(256,981)	-
Depreciation and amortisation expense	4a)	(2,419)	(3,699)
Administration expense		(196,212)	(209,954)
Marketing expense		(26,883)	(35,766)
Office, IT, and occupancy expense		(300,537)	(385,669)
Project expense		(1,569,730)	(1,539,608)
<b>Total expenditure</b>		<b>(2,352,762)</b>	<b>(2,174,696)</b>
<b>Surplus from continuing operations</b>		<b>4,512</b>	<b>53,770</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Net Surplus for the year</b>		<b>4,512</b>	<b>53,770</b>



**GMIC Limited & Controlled Entities**

**Consolidated Statement of Financial Position**

**As At 30 June 2020**

		<b>CONSOLIDATED</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	<b>698,741</b>	304,777
Trade and other receivables	3	<b>775,344</b>	530,796
<b>TOTAL CURRENT ASSETS</b>		<b>1,474,085</b>	835,573
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	<b>4,903</b>	7,322
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,903</b>	7,322
<b>TOTAL ASSETS</b>		<b>1,478,988</b>	842,895
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	<b>215,937</b>	122,272
Provisions	6	<b>22,001</b>	79,133
Income in Advance	7	<b>727,127</b>	132,079
<b>TOTAL CURRENT LIABILITIES</b>		<b>965,065</b>	333,484
<b>TOTAL LIABILITIES</b>		<b>965,065</b>	333,484
<b>NET ASSETS</b>		<b>513,923</b>	509,411
<b>ACCUMULATED FUNDS</b>			
Retained earnings		<b>513,923</b>	509,411
<b>TOTAL ACCUMULATED FUNDS</b>		<b>513,923</b>	509,411

The accompanying notes form part of these financial statements.

## GMIC Limited & Controlled Entities

### Consolidated Statement of Changes in Equity For the Year Ended 30 June 2020

	CONSOLIDATED	
	Retained Earnings \$	Total \$
<b>Balance at 1 July 2018</b>	<b>455,641</b>	<b>455,641</b>
Surplus attributable to members of the entity	53,770	53,770
<b>Balance at 30 June 2019</b>	<b>509,411</b>	<b>509,411</b>
 <b>Balance at 1 July 2019</b>	 <b>509,411</b>	 <b>509,411</b>
Surplus attributable to members of the entity	4,512	4,512
<b>Balance at 30 June 2020</b>	<b>513,923</b>	<b>513,923</b>

The accompanying notes form part of these financial statements.

**GMIC Limited & Controlled Entities**

**Consolidated Statement of Cash Flows**  
**For the Year Ended 30 June 2020**

		CONSOLIDATED	
		2020	2019
	Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		2,663,193	2,350,084
Payments to suppliers and employees		(2,535,797)	(2,395,038)
Interest received		249	1,671
Net cash used in operating activities	11	393,964	(43,283)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		-	-
Net cash used by investing activities		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net cash used by Financing activities		-	-
Net decrease in cash and cash equivalents held		393,964	(43,283)
Cash and cash equivalents at beginning of year		304,777	348,060
Cash and cash equivalents at end of financial year	2	698,741	304,777

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation

The Directors' have prepared special purpose financial statements on the basis that the consolidated 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) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GMIC Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. GMIC Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries in accordance with the accounting policy described

- Advanced Fibre Cluster Geelong Ltd

##### (c) Revenue and other income

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

###### *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 the service is provided, usually over a calendar year.

###### *Grant revenue*

Grant revenue is recognised in the income statement when the consolidated entity satisfied the performance obligations stated within the funding arrangements. If conditions are attached to the grant which must be satisfied before the consolidated entity is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies (continued)

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

##### *Volunteer services*

The consolidated entity has elected not to recognise volunteer services as either revenue or other form of contribution received.

#### (d) 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.

#### (e) 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 consolidated entity 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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.

#### (f) 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 consolidated entity during the reporting period which remain unpaid. The balance is recognised as a current liability.

#### (g) Income tax

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

#### (h) Employee benefits provision

Provision is made for the consolidated entity'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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies (continued)

Employee benefits are presented as current liabilities in the statement of financial position if the Consolidated entity 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.

##### (i) 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.

##### (j) 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.

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

The Consolidated entity 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.

The following Accounting Standards and Interpretations are most relevant to the Consolidated entity:

#### ***AASB 15 Revenue from Contracts with Customers***

The consolidated entity has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

#### ***AASB 1058 Income of Not-for-Profit Entities***

The consolidated entity has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 1 Summary of Significant Accounting Policies (continued)

##### **AASB 16 Leases**

The consolidated entity 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.

Straight-line 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). For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

##### **Impact of adoption**

Adoption of AASB 16, AASB 15 and AASB 1058 has no impact on opening retained profits as at 1 July 2019.

The entity only has short term leases, as such no impact as a result of AASB 16.

#### **(l) Accounting Standard issued but not yet adopted**

Management assessment indicates that there are no new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Group's financial report in the period of initial application.

#### **(m) 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 consolidated entity.

##### **Impairment of plant and equipment**

The consolidated entity assesses impairment at the end of the reporting year by evaluating conditions specific to the consolidated entity 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 consolidated entity 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.

##### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates.

Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements at the reporting date however, please refer to Note 14: Events subsequent after reporting date which details uncertainties with respect to events or conditions which may impact the Group subsequent to reporting date as a result of the Coronavirus (COVID-19) pandemic.

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>2. Cash and Cash Equivalents</b>		
Cash at bank and in hand	698,741	204,777
Term Deposits – maturity of 3 months or less	-	100,000
Total cash and cash equivalents	<u>698,741</u>	<u>304,777</u>

<b>3. Current Trade and Other Receivables</b>		
Trade receivables	795,344	469,002
Accrued revenue	-	70,000
Provision for expected credit losses	(20,000)	(8,206)
Total trade and other receivables	<u>775,344</u>	<u>530,796</u>

#### 4. Plant and Equipment

##### Office equipment

At cost	36,963	36,963
Accumulated depreciation	(32,060)	(29,642)
Total plant and equipment	<u>4,903</u>	<u>7,322</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	7,322	11,021
Additions	-	-
Depreciation expense	(2,419)	(3,699)
Balance at 30 June	<u>4,903</u>	<u>7,322</u>

#### 5. Current Trade and Other Payables

Trade payables	17,035	4,045
Payroll Liabilities	73,047	56,998
ATO payables (receivables)	125,855	61,229
Total trade and other payables	<u>215,937</u>	<u>122,272</u>

#### 6. Current Provisions

Provision for Annual Leave	<u>22,001</u>	<u>79,133</u>
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#### 7. Current Income in Advance

Contract liabilities - Income in advance	<u>727,127</u>	<u>132,079</u>
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## GMIC Limited & Controlled Entities

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 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.

	Proportion of ownership interest and voting power held by the Group	
	2020	2019
Advanced Fibre Cluster Geelong Ltd	100%	100%

#### 9. Contingent liabilities and Contingent Assets

In the opinion of the Directors, the consolidated entity did not have any contingencies at 30 June 2020 (2019: \$nil).

#### 10. Members' Guarantee

The consolidated entity is incorporated under the *Corporations Act 2001*. GMIC Limited and its controlled entities are companies limited by guarantee. If the consolidated entity 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 2020 the number of members was 127 - (2019: 97).

	2020 \$	2019 \$
<b>11. Cash Flow Information</b>		
<b>Reconciliation of result for the year to cash flows from operating activities</b>		
Surplus for the year	4,512	53,770
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- Depreciation	2,419	3,699
- Bad debts written off	32,538	-
- Provisioning for doubtful debts	11,794	-
Changes in assets and liabilities		
- Increase/(decrease) in trade and other receivables	(288,880)	(160,355)
- increase/(decrease) in trade and other payables	93,665	(11,125)
- increase/(decrease) in employee benefits	(57,132)	728
- increase/(decrease) in income in advance	595,048	70,000
<b>Cash flow used in operations</b>	<b>393,964</b>	<b>(43,283)</b>

#### 12. Capital and Leasing Commitments

##### (a) 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. The lease expired in May 2020, with lease payments subsequently being paid as per terms agreed informally.

Payable - minimum lease payments:

- no later than 12 months	-	52,638
	-	52,638

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**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**

The Coronavirus (COVID-19) pandemic continues to impact Metropolitan Melbourne, Regional Victoria and Nationally where the Group has operations. From 6 August 2020, metropolitan Melbourne was placed in Stage 4 lockdown, and regional Victoria was placed in stage 3 lockdown as part of the Victorian Government State of Disaster measures to flatten the COVID-19 active cases.

The Group has responded to all Government measures and has COVID-safe plans. The potential impact on the company's operations, cashflows and financial position cannot be reasonably estimated.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Directors Declaration

Directors have determined that the Consolidated entity 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 Consolidated entity declare that:

1. The financial statements and notes, as set out on pages 7 to 17, 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 2020 and of the performance for the year ended on that date of the Consolidated entity in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 There are reasonable grounds to believe that the Consolidated entity 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 20<sup>th</sup> day of November 2020

# Independent Auditor's Report To the Members of GMIC Limited and Controlled Entities

## Opinion

We have audited the financial report of GMIC Limited (the Company), which comprises the statement of financial position as at 30 June 2020, 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 2020 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 and Subsequent Events

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.

We draw attention to Note 14 of the financial statements, which describes the effects of the Coronavirus (COVID-19) pandemic which continues to impact both communities and businesses throughout the world including Australia where the entity operates. Our opinion is not modified in respect of this matter

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.

## 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.

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.

*Crane Melbourne*

**CROWE MELBOURNE**

*C. Gravenall*

**CASSANDRA GRAVENALL**

**Partner**

Dated at Geelong this 20<sup>th</sup> day of November 2020