

NBFI Secured Investments Ltd

ABN 91 111 607 606

Financial Statements

For the Period Ended 31 December 2020

NBFI Secured Investments Ltd

ABN 91 111 607 606

Contents

For the Period Ended 31 December 2020

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	18
Independent Audit Report	19

NBFI Secured Investments Ltd

ABN 91 111 607 606

Directors' Report For the Period Ended 31 December 2020

The Directors present their Report on NBFI Secured Investments Ltd for the financial period ended 31 December 2020.

1. GENERAL INFORMATION

Information on Directors

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

Henry Pinskiar

Peter David Wright

Geoffrey John Wensley

Craig Stephen Hitchings

Principal Activities

The principal activity of NBFI Secured Investments Ltd during the financial period was Debenture and Borrowing Facilities as well as credit servicing.

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

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The profit/(loss) of the Company after providing for income tax amounted to \$ 126,903 (2019: \$ (8,959)).

3. OTHER ITEMS

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company during the period.

Matters or Circumstances Arising After the End of the Year

No matters or circumstances have arisen since the end of the financial period 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.

Environmental Matters

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

Company Secretary

Geoffrey John Wensley has been the company secretary since 2019.

Indemnification and Insurance of Officers and Auditors

All Directors of NBFI are covered by PI insurance to the value of \$2.5 million.

NBFI Secured Investments Ltd

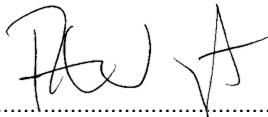
ABN 91 111 607 606

Directors' Report
For the Period Ended 31 December 2020

Auditor's Independence Declaration

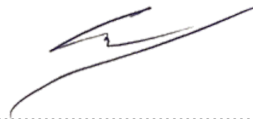
The lead Auditor's Independence Declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 31 December 2020 has been received and can be found on page 3 of the Financial Report.

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



Director:

Peter David Wright



Director:

Geoffrey John Wensley

Dated this 4th day of March 2021

NBFI Secured Investments Ltd

ABN 91 111 607 606

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of NBFI Secured Investments Ltd

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2021, 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.



Raul Valois, CA RCA 4307
Partner
Rosenfeld Kant and Co
Bondi Junction

Dated this 8th Day of March 2021

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

	31 December 2020	31 December 2019
Note	\$	\$
Interest Received	283,639	123,447
Other Income	10,782	-
Administrative Expenses	(15,097)	(48,710)
Other Expenses	(152,421)	(83,696)
Profit Before Income Tax	126,903	(8,959)
Income Tax Expense	-	-
Profit For The Period	126,903	(8,959)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	126,903	(8,959)

The accompanying notes form part of these financial statements.

NBFI Secured Investments Ltd

ABN 91 111 607 606

Statement of Financial Position

As At 31 December 2020

		31 December 2020	30 June 2020
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	3,147,041	2,749,311
Trade and other receivables	4	371,797	132,404
Loans and advances	5	2,750,242	2,961,643
TOTAL CURRENT ASSETS		<u>6,269,080</u>	<u>5,843,358</u>
NON-CURRENT ASSETS			
Property, Plant And Equipment	6	36,964	49,285
Investment Properties	7	560,558	560,558
Intangible Assets	8	30,869	27,500
Other Assets		5,170	5,170
TOTAL NON-CURRENT ASSETS		<u>633,561</u>	<u>642,513</u>
TOTAL ASSETS		<u>6,902,641</u>	<u>6,485,871</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade And Other Payables	9	20,179	47,545
Borrowings	10	6,182,208	6,134,975
TOTAL CURRENT LIABILITIES		<u>6,202,387</u>	<u>6,182,520</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>6,202,387</u>	<u>6,182,520</u>
NET ASSETS		<u>700,254</u>	<u>303,351</u>
EQUITY			
Issued Capital	11	1,531,000	1,261,000
Retained Earnings		(830,746)	(957,649)
TOTAL EQUITY		<u>700,254</u>	<u>303,351</u>

The accompanying notes form part of these financial statements.

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

	Ordinary Shares	Redeemable Preference Shares	Retained Earnings	Total
Note	\$	\$	\$	\$
Balance at 1 July 2020	696,000	565,000	(957,649)	303,351
Profit Attributable To Entity	-	-	126,903	126,903
Shares Issued During The Year	270,000	-	-	270,000
BALANCE AT 31 DECEMBER 2020	966,000	565,000	(830,746)	700,254

	Ordinary Shares	Redeemable Preference Shares	Retained Earnings	Total
Note	\$	\$	\$	\$
Balance at 1 July 2019	456,000	565,000	(727,388)	293,612
Loss Attributable To Entity First Half	-	-	(8,959)	(8,959)
Loss Attributable To Entity Second Half	-	-	(221,302)	(221,302)
Shares Issued During The Year	240,000	-	-	240,000
BALANCE AT 30 JUNE 2020	696,000	565,000	(957,649)	303,351

The accompanying notes form part of these financial statements.

NBFI Secured Investments Ltd

ABN 91 111 607 606

Statement of Cash Flows For the Period Ended 31 December 2020

	31 December 2020	31 December 2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts From Customers	400,367	210,027
Payments To Suppliers And Employees	(58,364)	(221,758)
Interest Paid	(199,972)	(159,223)
Net Cash Provided By/(Used In) Operating Activities	<u>142,031</u>	<u>(170,954)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase Of Property, Plant And Equipment	-	(651)
Net Cash Provided By/(Used In) Investing Activities	<u>-</u>	<u>(651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds From Issue Of Shares	270,000	140,000
Proceeds From Borrowings	1,106,715	761,235
Net Cash Provided By/(Used In) Financing Activities	<u>1,376,715</u>	<u>901,235</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD	1,518,746	729,630
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,628,295	898,665
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,147,041	1,628,295
3	<u><u>3,147,041</u></u>	<u><u>1,628,295</u></u>

The accompanying notes form part of these financial statements.

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

The Financial Report covers NBFI Secured Investments Ltd as an individual entity. NBFI Secured Investments Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of NBFI Secured Investments Ltd is Australian dollars.

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*.

The Financial Statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these Financial Statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue and Other Income

Revenue from Contracts with Customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other Income

Other income is recognised on an accruals basis when the Company is entitled to it.

Notes to the Financial Statements

For the Period Ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) 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.

(e) Property, Plant And Equipment

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

Land And Buildings

Land and buildings are measured using the revaluation model.

Plant And Equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Period Ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Investment Property

Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(g) 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.

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 - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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.

Notes to the Financial Statements

For the Period Ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(G) Financial Instruments

Financial Assets

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.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Company's financial assets measured at FVTPL comprise derivatives [insert details of other financial assets carried at FVTPL] in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements

For the Period Ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(G) Financial Instruments

Financial Assets

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets 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 contract asset 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.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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.

Notes to the Financial Statements

For the Period Ended 31 December 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Intangible assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) 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 CASH AND CASH EQUIVALENTS

	31 December 2020	30 June 2020
	\$	\$
Cash At Bank And In Hand	6,924	251,994
Other Cash And Cash Equivalents	3,140,117	2,497,317
TOTAL CASH AND CASH EQUIVALENTS	3,147,041	2,749,311

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

4 TRADE AND OTHER RECEIVABLES

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Trade Receivables	50,392	1,257
Accrued Interest Loans	10,522	9,721
Other Receivables	190,000	-
Accrued Interest Investments	120,883	121,426
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	371,797	132,404

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5 LOANS AND ADVANCES

	31 December 2020	30 June 2020
	\$	\$
CURRENT		
Loans Control Accounts	2,750,242	2,961,643
TOTAL LOANS AND ADVANCES	2,750,242	2,961,643

6 PROPERTY, PLANT AND EQUIPMENT

	31 December 2020	30 June 2020
	\$	\$
PLANT AND EQUIPMENT		
Motor Vehicles		
At Cost	73,927	73,927
Accumulated Depreciation	(36,963)	(24,642)
Total Motor Vehicles	36,964	49,285
Office Equipment		
At Cost	65,461	65,461
Accumulated Depreciation	(65,461)	(65,461)
Total Plant And Equipment	36,964	49,285
TOTAL PROPERTY, PLANT AND EQUIPMENT	36,964	49,285

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

7 INVESTMENT PROPERTIES

	31 December 2020	30 June 2020
	\$	\$
At Fair Value		
Owned Property		
Balance At Beginning Of Year	560,558	560,558
TOTAL INVESTMENT PROPERTIES	<u>560,558</u>	<u>560,558</u>

Investment property includes properties that are held as right to use assets, as well as properties that are owned by the Company.

8 INTANGIBLE ASSETS

	31 December 2020	30 June 2020
	\$	\$
Computer Software		
Cost	96,684	93,315
Accumulated Amortisation And Impairment	<u>(65,815)</u>	<u>(65,815)</u>
Net Carrying Value	<u>30,869</u>	27,500
TOTAL INTANGIBLE ASSETS	<u>30,869</u>	<u>27,500</u>

9 TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020
Note	\$	\$
CURRENT		
Trade Payables	(207)	-
Sundry Payables And Accrued Expenses	16,611	14,915
Provision For Tax	3,775	3,775
Other Payables	-	28,855
TOTAL TRADE AND OTHER PAYABLES	<u>20,179</u>	<u>47,545</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NBFI Secured Investments Ltd

ABN 91 111 607 606

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

10 BORROWINGS

	31 December 2020 \$	30 June 2020 \$
CURRENT		
Unsecured Liabilities:		
Depositors Loan Account	6,182,031	6,134,975
Secured Liabilities:		
Bank Overdraft	177	-
TOTAL CURRENT BORROWINGS	6,182,208	6,134,975
TOTAL BORROWINGS	6,182,208	6,134,975

The bank debt is secured by a registered first mortgage over certain freehold properties owned by the Company. Covenants imposed by the bank require total bank debt not to exceed 13% of total tangible assets, total liabilities not to exceed 13% of total tangible assets, and borrowing costs not to exceed 13% of EBIT.

The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

11 ISSUED CAPITAL

	31 December 2020 \$	30 June 2020 \$
Ordinary Shares	966,000	696,000
Preference Shares	565,000	565,000
TOTAL ISSUED CAPITAL	1,531,000	1,261,000

(a) Ordinary Shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

12 DIVIDENDS

Franked dividends declared or paid during the period were franked at the tax rate of 30%.

13 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (30 June 2020:None).

NBFI Secured Investments Ltd

ABN 91 111 607 606

Notes to the Financial Statements

For the Period Ended 31 December 2020

14 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial period 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.

15 STATUTORY INFORMATION

The Registered Office and Principal Place of Business of the Company is:

NBFI Secured Investments Ltd
Lvl 24 Tower 2
101 Grafton Road
Bondi Junction NSW 2022

NBFI Secured Investments Ltd

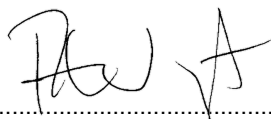
ABN 91 111 607 606

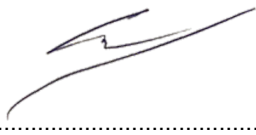
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 17, 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 period 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 4.3.21

NBFI Secured Investments Ltd

Independent Audit Report to the members of NBFI Secured Investments Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the Financial Report of NBFI Secured Investments Ltd (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 our 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

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 (including Independence Standards)* (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 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.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent Audit Report to the members of NBFI Secured Investments Ltd

Auditor's Responsibilities for the Audit of the Financial Report

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

- Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We 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 our 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. We describe these matters in our 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 our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Raul Valois, CA RCA 4307
Partner
Rosenfeld Kant and Co
Bondi Junction
Dated this 8th Day of March 2021