

**The Tidswell Investment Plan**  
**ARSN 093 115 685**

**ANNUAL FINANCIAL REPORT**  
**for the year ended 30 June 2021**

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## **Responsible Entity Directors' Report**

The directors of Tidswell Financial Services Ltd (ABN 55 010 810 607) (the "Responsible Entity"), the Responsible Entity of The Tidswell Investment Plan (the "Scheme"), present their report together with the financial statements for the Scheme for the year ended 30 June 2021 and the auditor's report thereon.

### **RESPONSIBLE ENTITY**

The registered office and principal place of business of the Responsible Entity and the Scheme is Level 9, Podium 530 Collins Street, Melbourne VIC 3000.

### **DIRECTORS**

The following persons held office as directors of the Responsible Entity for the period 1 July 2020 to the date of this report:

Michael John Terlet AO	Non-Executive Director - Chairman	Appointed 19 April 1991
Ronald Peter Beard	Non-Executive Director	Appointed 20 August 2012
Fiona McNabb	Non-Executive Director	Appointed 1 October 2017
Andrew Peterson	Executive Director	Appointed 20 March 2018, Resigned 18 February 2021
Darran Goodger	Executive Director	Appointed 18 February 2021

### **PRINCIPAL ACTIVITIES**

The Tidswell Investment Plan is a registered managed investment scheme domiciled in Australia, which operates as an investor directed portfolio-like service and invests in a broad range of managed and direct investments.

The principal investment strategy of the Scheme is to provide a range of risk return options to suit all Participants. This has been achieved by adopting a general investment policy, whereby money may be allocated to managed investment funds, and other specific authorised assets including shares, commodities and income bearing securities (including first mortgages). This policy is designed to produce attractive investment returns at acceptable levels of risk.

The Scheme did not have any employees during the year.

There has been no significant change in the nature of those activities during the year.

### **REVIEW AND RESULTS OF OPERATION**

Due to the nature of the Scheme, whereby Participants have their own specific allocation of investments, the results of each participant are reported individually.

### **DISTRIBUTIONS**

Income allocated and attributable to Participants Accounts since the start of the financial year were -\$157,366 (2020: \$609,622). Information on Scheme distributions is disclosed in Note 2 (e) to the financial statements.

## **DIRECTORS' REPORT (CONTINUED)**

### **UNITS ON ISSUE**

Investors have a beneficial interest in specific Scheme investments and are not issued Scheme units. Applications to the Scheme during the financial year were \$nil (2020: \$1,390,686), while withdrawals totalled \$34,672,491 (2020: \$46,245,754). The closing balance of Participants accounts as at 30 June 2021 was \$6,536,778 (2020: \$41,366,635). Refer to Note 6 for further details regarding Participant's Accounts. The Scheme had total assets valued at \$6,541,535 as at 30 June 2021 (2020 \$41,673,391). The basis for valuation of the Scheme's assets is disclosed in Note 2 to the financial statements.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Responsible Entity there were no significant changes in the state of affairs of the Scheme that occurred during the financial year.

### **LIKELY DEVELOPMENTS**

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

### **ENVIRONMENTAL REGULATION**

The Scheme's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Responsible Entity believes that the Scheme has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Scheme.

### **INDEMNITIES AND INSURANCE PREMIUMS FOR OFFICERS OR AUDITORS**

Under the Scheme constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Scheme's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Scheme.

The Scheme has not indemnified any auditor of the Scheme.

During the financial year the Responsible Entity paid premiums in respect of its officers for professional indemnity insurance contracts for the year ended 30 June 2021. The Responsible Entity has paid or agreed to pay in respect of the Scheme, premiums in respect of such insurance contracts for the year ended 30 June 2021. The Scheme may reimburse the Responsible Entity a proportion of the professional indemnity insurance premiums based on the assets of schemes managed by the Responsible Entity when sufficient funds exist in the expense reserve account. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the directors or officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

### **FEES PAID TO AND INTERESTS HELD IN THE SCHEME BY THE RESPONSIBLE ENTITY OR ITS ASSOCIATES**

Fees paid to the Responsible Entity and its associates out the Scheme property during the year are disclosed in Note 12 of the financial statements.

No fees were paid out of Scheme property to directors of the Responsible Entity.

The number of interests in the Scheme held by the Responsible Entity or its related parties as at the end of the financial year are disclosed in Note 12 of the financial statements.

**DIRECTORS' REPORT (CONTINUED)**

**EVENTS SUBSEQUENT TO REPORTING DATE**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2021 or on the results and cash flows of the Scheme for the reporting period ended on that date.

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in the future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Scheme, in future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act is set out on page 6 and forms part of the Directors' report for the year ended 30 June 2021.

Signed in accordance with a resolution of the directors of the Responsible Entity:

**TIDSWELL FINANCIAL SERVICES LTD**



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**Director**

28 September 2021

**DECLARATION OF INDEPENDENCE BY JAMES DIXON TO THE DIRECTORS OF TIDSWELL FINANCIAL SERVICES LIMITED AS RESPONSIBLE ENTITY FOR TIDSWELL INVESTMENT PLAN**

As lead auditor of Tidswell Investment Plan for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



**James Dixon**  
**Director**

**BDO Audit Pty Ltd**

Melbourne, 28 September 2021

The Tidswell Investment Plan  
**STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June 2021

**Statement of Profit or Loss and Other Comprehensive Income**

	Note	30 June 2021 \$	30 June 2020 \$
<b>Revenue</b>			
Interest		9,947	52,239
Dividends		2,486	38,018
Distribution income	3	275,036	2,455,549
Unit trust income		1,076,451	1,405,468
Net gain/(losses) on financial assets at fair value through profit or loss	4	(1,244,911)	(2,593,069)
Other Income		2,739	1,061
<b>Total Revenue</b>		<b>121,748</b>	<b>1,359,266</b>
<b>Expenses</b>			
Responsible entity fees	12	(278,911)	(748,028)
General Administration Fees		(76)	(1,480)
Other Expenses		(127)	(136)
<b>Total Expenses</b>		<b>(279,114)</b>	<b>(749,644)</b>
<b>Operating profit/(loss) before finance costs</b>		<b>(157,366)</b>	<b>609,622</b>
<b>Finance costs</b>			
Distributions to Participants' Accounts	6	157,366	(609,622)
<b>Total finance costs</b>		<b>157,366</b>	<b>(609,622)</b>
<b>Net profit for the year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes.

The Tidswell Investment Plan  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2021

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**Statement of financial position**

	Note	30 June 2021 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents	7	3,049,606	2,493,469
Distribution and other receivables	9	18,413	126,831
Financial assets held at fair value through profit or loss	8	3,473,516	39,053,091
<b>Total assets</b>		<b>6,541,535</b>	<b>41,673,391</b>
<b>Liabilities</b>			
Payables		4,757	45,218
Participant's Redemption Payable		-	261,538
<b>Total liabilities (excluding net assets attributable to Participants' Accounts)</b>		<b>4,757</b>	<b>306,756</b>
<b>Net assets attributable to Participants' Accounts - liability</b>	6	<b>6,536,778</b>	<b>41,366,635</b>

The above statement of financial position should be read in conjunction with the accompanying notes.



**The Tidswell Investment Plan**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2021**

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The Scheme's net assets attributable to Scheme Participants are classified as a liability under AASB 132 Financial Instruments: Presentation. As such the Scheme has no equity, and no items of changes in equity have been presented for the current or comparative year. The above statement of changes in equity should be read in conjunction with the accompanying notes.

The Tidswell Investment Plan  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2021

**Statement of cash flows**

	Note	30 June 2021 \$	30 June 2020 \$
<b>Cash flows from operating activities</b>			
Interest received		9,947	52,447
Dividends received		2,486	37,963
Distribution and other income received		1,354,558	10,200,181
Goods and services tax received		128,417	-
Responsible entity fees paid		(339,779)	(747,545)
Administration expenses paid		-	(1,478)
Other expenses paid		(127)	-
<b>Net cash inflows/(outflows) from operating activities</b>	13(a)	<b>1,155,502</b>	<b>9,541,568</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		34,334,664	40,264,885
Purchase of investments		-	(4,249,853)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>34,334,664</b>	<b>36,015,032</b>
<b>Cash flows from financing activities</b>			
Participants' Applications		-	1,390,740
Participants' Redemptions		(34,934,029)	(45,991,753)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(34,934,029)</b>	<b>(44,601,013)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>556,137</b>	<b>955,587</b>
Cash and cash equivalents at beginning of the financial year		2,493,469	1,537,882
<b>Cash and cash equivalents at end of the financial year</b>	7	<b>3,049,606</b>	<b>2,493,469</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## **1. GENERAL INFORMATION**

These financial statements cover The Tidswell Investment Plan (the “Scheme”) as an individual entity.

The responsible entity of the Scheme is Tidswell Financial Services Ltd (ABN 55 010 810 607) (**TFSL**) (the “responsible entity”). The responsible entity’s registered office is Level 9 Podium, 530 Collins Street, Melbourne VIC 3000. The financial statements are presented in the Australian currency.

The principal investment strategy of the Scheme is to provide a range of risk return options to suit all Participants. This has been achieved by adopting a general investment policy, whereby money may be allocated to managed investment funds, and other specific authorised assets including shares, commodities and income bearing securities (including first mortgages). This policy is designed to produce attractive investment returns at acceptable levels of risk.

The financial statements were authorised for issue by the directors of the responsible entity on 28 September 2021. The directors of the responsible entity have the power to amend and reissue the financial statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### **(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Scheme is a for-profit entity for the purposes of preparing the financial statements. These financial statements of the Scheme also comply with International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board (IASB).

These financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for some investments in financial assets and participants’ balances.

The Scheme manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of participant accounts, the balances are redeemed on demand at the participant’s option. However, participants typically retain the investment for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

### *New and amended Accounting Standards and Interpretations adopted by the Scheme*

The Scheme has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(b) Financial Instruments**

*(i) Classification*

The Scheme classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

*(ii) Recognition/derecognition*

The Scheme recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Scheme has transferred substantially all of the risks and rewards of ownership.

*(iii) Measurement*

At initial recognition, the Scheme measures financial assets and liabilities at fair value. Transaction costs of the financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of profit or loss and comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of the financial assets and financial liabilities at fair value through profit or loss category are presented in the statement of profit or loss and comprehensive income within 'net gains/(losses) on financial instruments are fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see Note 11 to the financial statements.

**(c) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is the intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

**(d) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call deposits with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme's main income generating activity.

**(e) Distributions**

Distributions to Participants occur throughout the year. The value of Participant Accounts includes the income received and/or revaluations taken up in profit or loss.

**(f) Income Tax**

Under current legislation the Scheme is not subject to income tax as the Underlying Participants are presently entitled to the taxable income of the Scheme. Any liability for income tax must be taken up by Participants as part of their personal liability for tax.

**(g) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and comprehensive income.

Non-monetary items that are measured at fair value in the foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of profit or loss and comprehensive income on a net basis with net gains/(losses) on financial instruments at fair value through profit or loss.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

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**(h) Investment Income**

Interest income on cash and cash equivalents is recognised in the statement of profit or loss and comprehensive income on an accruals basis.

Dividends income is recognised in the statement of profit or loss and comprehensive income when the Scheme's right to receive payments is established being the ex-dividend date, with any foreign withholding tax recorded as an expense.

Distribution income from Unit Trusts and Managed Investment Schemes is recognised in the statement of profit or loss and comprehensive income when the Scheme's right to receive the payments is established being the distribution date.

**(i) Expenses**

All expenses, including responsible entity's fees, are recognised in the statement of profit or loss and comprehensive income on an accruals basis.

**(j) Due from/to brokers**

Amounts due from/to brokers represent receivables for securities sold and payable for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Scheme will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter into bankruptcy or financial reorganisation and default on payments.

**(k) Participant's Accounts**

Investors in the Scheme have the right to make a request to redeem funds from their Participant Account. Payment of redemptions may be made in cash or via transfer of investments in-specie and are dependent on the liquidity of investor's specific investments. This right to redeem gives rise to Participants' Accounts being classified as a financial liability.

**(l) Goods and Services Tax (GST)**

The GST incurred on the costs of various services provided to by third parties such as responsible entity fees and other expenses have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC), hence responsible entity fees and other expenses have been recognised in the statement of profit or loss and other comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

**(m) Payables**

Payables includes liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the reporting date.

**(n) Receivables**

Receivables may include amounts for dividends, unit trust and managed investment scheme distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of the last payment in accordance with the policy set out in Note 2(h) above.

Amounts are generally received with 30 days of being recorded as receivables.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
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**(o) Critical Accounting Estimates and Judgements**

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities with the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For more information on how fair value is calculated, please see note 11 to the financial statements.

**(p) Comparative Figures**

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

**3. DISTRIBUTION INCOME**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Distribution from Managed Investment Schemes	10,300	11,099
Distributions from related Managed Investment Schemes	264,736	2,444,450
<b>Total distribution income</b>	<b>275,036</b>	<b>2,455,549</b>

**4. NET GAIN/(LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Equity securities	(21,594)	(57,311)
Unit Trusts	(1,269,536)	(2,534,658)
Managed Investment Schemes	46,219	(1,100)
<b>Total net gains/(losses) on financial assets at fair value through profit or loss</b>	<b>(1,244,911)</b>	<b>(2,593,069)</b>

**5. AUDITOR'S REMUNERATION**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Audit and audit related services	15,170	17,119
Other assurance services	4,100	6,793
<b>Total</b>	<b>19,270</b>	<b>23,912</b>

All Auditor remuneration in respect to the Scheme is paid by the Responsible Entity and as such is not included in the expenses in the statement of profit or loss and other comprehensive income.

The Tidswell Investment Plan  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021  
(continued)

**6. PARTICIPANT'S ACCOUNTS**

	30 June 2021 \$	30 June 2020 \$
<b>Opening balance</b>	<b>41,366,635</b>	<b>85,612,081</b>
<i>Add:</i>		
Applications from The Tidswell Master Superannuation Plan	-	649,686
Participants' applications	-	741,000
Income allocated and attributable to Participants Accounts	(157,366)	609,622
	<u><b>(157,366)</b></u>	<u><b>2,000,308</b></u>
<i>Less:</i>		
Participants' redemptions	28,509,565	37,169,263
Redemptions by The Tidswell Master Superannuation Plan	6,162,926	9,076,491
	<u><b>34,672,491</b></u>	<u><b>46,245,754</b></u>
<b>Closing balance of Participant's Accounts</b>	<u><b>6,536,778</b></u>	<u><b>41,366,635</b></u>

The Scheme considers its capital to be Participants' Accounts. The Scheme manages its net assets attributable to Participants' Accounts as capital, notwithstanding net assets attributable to Participants' Accounts are classified as a liability.

Applications and redemptions are reviewed relative to the liquidity of the scheme's underlying assets by the Responsible Entity. Under the terms of the Scheme's constitution, the Responsible Entity has the discretion to defer or adjust a redemption if the exercise of such discretion is in the best interests of participants.

All investments in the Scheme are of dollar value (non-unitised), are of the same class, and therefore carry equal rights.

The Scheme invests in Pooled Mortgage Managed Investment Scheme (PMMIS) and the PMMIS ceased to be liquid pursuant to the Corporation Act on 2 March 2020. Following this event, the Responsible Entity has reviewed the PMMIS whether it can continue to accomplish its purpose and determined that the PMMIS would be terminated. The capital is being returned to investors on a pro-rata basis. As at the reporting date, four capital distributions were made for total 88% of capital holdings.

**7. CASH AND CASH EQUIVALENTS**

	30 June 2021 \$	30 June 2020 \$
Cash at bank	3,049,606	2,493,469
<b>Total cash and cash equivalents</b>	<u><b>3,049,606</b></u>	<u><b>2,493,469</b></u>



**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
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**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Equity securities	161,881	232,181
Unit trusts	-	1,269,536
Managed Investment Schemes	3,311,635	37,551,374
<b>Total</b>	<b>3,473,516</b>	<b>39,053,091</b>

**9. DISTRIBUTION AND OTHER RECEIVABLES**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Distributions receivable from managed investment schemes	8,879	9,286
Other receivables	9,534	117,545
<b>Total</b>	<b>18,413</b>	<b>126,831</b>

**10. FINANCIAL RISK MANAGEMENT**

The Scheme maintains positions in a variety of non-derivative financial instruments as dictated by the investment strategies offered to Scheme Participants via the current and previous Product Disclosure Statements. The Scheme's investment portfolio comprises quoted and non-quoted equity and fixed interest investments, along with investments in Managed Investment Schemes. As investments are generally held for specific investors, the time frame investments are held for is non-specific.

The Scheme operates as an investor directed portfolio service and invests in a broad range of managed and direct investments with a principal investment strategy to provide a range of risk return options to suit all Participants.

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk, liquidity risk and operational risk.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Scheme's risk management framework. The Board, which meets monthly is responsible for developing and monitoring the risk management framework relating to the Scheme. This framework is established to identify, analyse and monitor Scheme related risks, and assess the adequacy of the procedures and controls put in place to mitigate them. Risk management policies and systems are reviewed regularly to ensure they reflect Scheme activities and changes to market conditions.

Quarterly reports are provided to the Board on asset allocation and investment performance.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
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**(a) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or value of its holdings of financial instruments. Market risk embodies the potential for both losses and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return on risk.

The Responsible Entity manages the Scheme's exposure to market risks in accordance with the investment strategies outlined in the Scheme's Product Disclosure Statement. As all investments are held for specific investors, the market risks related to each specific investment are borne by the investor.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in Managed Investment Schemes. The investment manager of any Managed Investment Schemes held have separate risk management policies and procedures in place.

*(i) Price risk*

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign exchange risk and interest rate risk) whether caused by factors specific to an individual investment or all factors affecting all instruments traded in the market.

As all of the Scheme's financial instruments are carried at fair value with fair value changes recognised in the statement of profit or loss or other comprehensive income, all changes in market conditions will directly affect income.

At 30 June, the fair value of the Scheme's financial instruments exposed to price risk were as follows:

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
Equity securities	161,881	232,181
Unit trusts	-	1,269,536
Managed Investment Schemes	3,311,635	37,551,374
<b>Total</b>	<b>3,473,516</b>	<b>39,053,091</b>

The following table sets out concentration of the Scheme's investment assets (financial assets):

	<b>% of Total Assets</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
Equity securities	2.47	0.56
Unit trusts	-	3.05
Managed Investment Schemes	50.62	90.11
<b>Total Investment Assets</b>	<b>53.09</b>	<b>93.71</b>

Of the percentage of total assets invested in Unit trusts and Managed Investment Schemes, 92.48% (2020: 92.67%) is invested in related Unit trusts and Managed Investment Schemes.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

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*Sensitivity Analysis*

A 10% increase in the value of Scheme investments would have increased profit from operating activities and net assets attributable to Participants' accounts by \$347,352 (2020: \$3,905,309). An equal change in the opposite direction would have decreased the profit from operating activities and net assets attributable to Participants' accounts by an equal opposite amount.

As investors hold specific investments such analysis would be unrepresentative of the investor specific risk, which is instead directly linked to the price of their specific investments.

*(ii) Foreign exchange risk*

The foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The Scheme may invest in financial instruments and enter into transactions denominated in currencies other than the measurement currency. Consequently, the Scheme is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of those Scheme assets. The Scheme currently holds no assets denominated in foreign currencies.

However, the underlying unlisted unit trust may hold financial instruments and cash and cash equivalents denominated in a variety of foreign currencies, and as such the Scheme is indirectly impacted by fluctuations in the exchange rates of those foreign currencies.

The foreign exchange risk disclosures have been prepared on the basis of the Scheme's direct investments and not on a look through basis for indirect exposures. Consequently, the disclosures of foreign exchange risk in the note may not represent the true foreign exchange risk profile of the Scheme.

*Sensitivity Analysis*

As the Scheme currently only invests in Australian financial instruments and holds Australian cash and cash equivalents, there is no significant direct foreign exchange risk, hence no sensitivity analysis has been performed.

*(jj) Interest rate risk*

The Scheme's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Scheme holds cash at floating interest rates. It may hold investments that are fixed interest in nature which expose the Scheme to fair value interest rate risk.

The Scheme's exposure to interest rate movements on its investments was as follows:

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

	Weighted Average Effective Interest Rate		Interest bearing		Non-interest bearing		Total	
	2021 (%)	2020 (%)	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial assets</b>								
Cash and cash equivalents	0.23	0.30	3,050	2,493	-	-	3,050	2,493
Financial assets at fair value through profit or loss			-	-	3,474	39,053	3,474	39,053
Receivables			-	-	18	127	18	127
<b>Total Financial Assets</b>			<b>3,050</b>	<b>2,493</b>	<b>3,492</b>	<b>39,180</b>	<b>6,542</b>	<b>41,673</b>
<b>Financial Liabilities</b>								
Payables			-	-	5	307	5	307
Net assets attributable to Participants' Accounts			-	-	6,537	41,366	6,537	41,366
<b>Total financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>6,542</b>	<b>41,673</b>	<b>6,542</b>	<b>41,673</b>

The effect of a change in interest rate on profit from operating activities and net assets attributable to Participants' accounts is immaterial.

*Sensitivity Analysis*

An increase in interest rates of 75 basis points (2020: 75 basis points) would have increased the profit from operating activities and net assets attributable to Participants' Accounts by \$22,872 (2020: \$18,701). An equal change in the opposite direction would have decreased the profit from operating activities and net assets attributable to Participants' Account by an equal and opposite amount.

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

At 30 June 2021, the following financial assets were exposed to credit risk: cash and cash equivalents, receivables, equity securities and Managed Investment Schemes.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of on statement of financial position financial assets. The credit risk on financial assets of the Scheme which have been recognised on the statement of financial position is the carrying amount as stated.

No financial assets are considered past due or impaired at 30 June 2021 or 30 June 2020.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

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**(c) Liquidity risk**

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's liquidity risk is low due to Participants holding their own specific investments. Redemptions from the Scheme are therefore restricted by the satisfactory sale of investor specific investments. The contractual maturities of financial liabilities are as follows.

<b>30 June 2021</b>	<b>Less than 1 Month</b>	<b>At Call</b>
<b>Financial liabilities</b>	<b>\$</b>	<b>\$</b>
Payables	4,757	
Net assets attributable to Participants' Accounts		6,536,778

<b>30 June 2020</b>	<b>Less than 1 Month</b>	<b>At Call</b>
<b>Financial Liability</b>	<b>\$</b>	<b>\$</b>
Payables	306,756	
Net assets attributable to Participants' Accounts		41,366,635

**(d) Operational risk**

Operational risk is the risk of loss arising from causes associated with the processes, technology and infrastructure supporting the Scheme's activities with financial instruments either internally within the Scheme or externally at the Scheme's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements.

The Scheme's objective is to manage operational risk so as to balance mitigation of risk with achieving its investment objective and generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Directors of the Responsible Entity.

The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular reporting, ad-hoc discussions and an annual on-site review with the service providers and a review of the service providers' GS007 report on internal controls.

Substantially all of the assets of the Scheme are held by Certane CT Pty Ltd (former Certes CT Pty Ltd). Bankruptcy or insolvency of the Scheme's custodian may cause the Scheme's rights with respect to the securities held by the custodian to be delayed or limited. The Responsible Entity monitors the capital adequacy of its custodian quarterly and reviews the findings documented in the GS007 report on the internal controls annually.

The Scheme has provided the custodian a general lien over the financial assets held in custody for the purpose of covering the exposure from providing custody services. The general lien is part of the standard contractual terms of the custody agreement.

## **11. FAIR VALUE MEASUREMENT**

The Scheme measures and recognises the financial assets and liabilities at fair value on a recurring basis.

- Financial assets at fair value through profit or loss (FVPL) (see Note 2)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

*(i) Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 of the financial statements.

Financial assets and liabilities are priced at redemption prices.

For a majority of its investments, the Scheme relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

*(ii) Fair value in an inactive or unquoted market (level 2 and 3)*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

*(iii) Recognised fair value measurements*

The following table presents the Scheme's assets and liabilities measured and recognised at fair value as at 30 June 2021 and 30 June 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2021</b>				
Financial assets at fair value through profit or loss:				
Equity securities	161,881	-	-	161,881
Unit trusts	-	-	-	-
Managed Investment Schemes	-	249,040	3,062,595	3,311,635
<b>Total</b>	<b>161,881</b>	<b>249,040</b>	<b>3,062,595</b>	<b>3,473,516</b>
<b>30 June 2020</b>				
Financial assets at fair value through profit or loss:				
Equity securities	232,181	-	-	232,181
Unit trusts	-	1,269,536	-	1,269,536
Managed Investment Schemes	-	1,333,842	36,217,532	37,551,374
<b>Total</b>	<b>232,181</b>	<b>2,603,378</b>	<b>36,217,532</b>	<b>39,053,091</b>

Units in Managed Investment Schemes classified as level 2 relate to investments in related Managed Investment Schemes that invest in mortgage loans. This classification has been applied as their value is not based on prices in active markets (Level 1), rather their value is based on the net assets of the underlying schemes at reporting date.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

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*(iv) Transfers between levels*

The Scheme's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy for the years ended 30 June 2021 and 30 June 2020.

*(v) Fair value measurements using significant unobservable inputs*

The Scheme did not hold any financial instruments with fair value measurements using significant unobservable inputs during the years ended 30 June 2021 and 30 June 2020.

*(vi) Financial instruments not carried at fair value*

The Scheme did not hold any financial instruments which were not measured at fair value in the statement of financial position during the years ended 30 June 2021 and 30 June 2020. Due to the short-term nature, the carrying amounts of receivables and payables are assumed to approximate value.

## **12. RELATED PARTY TRANSACTIONS**

### **Responsible entity**

The Responsible Entity of The Tidswell Investment Plan is Tidswell Financial Services Ltd (ABN 55 010 810 607) (**TFSL**) whose ultimate holding company is Certane Pty Ltd (ABN 91 640 126 585). Accordingly, any transactions with entities related to Tidswell Financial Services Ltd are disclosed below.

### **(a) Key management personnel**

The Scheme does not employ personnel in its own right. However, it is required to have an incorporated responsible entity to manage the activities of the Scheme and this is considered the key management personnel.

Key management personnel of the responsible entity include persons who held office as directors of the responsible entity at any time during the year and up to the date of this report:

Michael John Terlet AO	Non-Executive Director - Chairman	Appointed 19 April 1991
Ronald Peter Beard	Executive Director	Appointed 20 August 2012
Fiona McNabb	Non-Executive Director	Appointed 29 September 2017
Andrew Peterson	Executive Director	Appointed 20 March 2018 Resigned 18 February 2021
Darran Goodger	Executive Director	Appointed 18 February 2021



**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

**(b) Interests held in the Scheme by the Responsible entity and/or its related parties**

From time to time directors of TFSL, or their director related entities, may invest or withdraw from the Scheme. These transactions are on the same terms and conditions as those entered into by all other Scheme participants are trivial in nature. Details of holdings in the Scheme by TFSL and its related parties are set out below:

<b>Scheme</b>	<b>Participant Investment \$</b>	<b>Interest Held %</b>	<b>New Investments \$</b>	<b>Redemptions \$</b>	<b>Distributions (Paid and Accrued) \$</b>
<b>30 June 2021</b>					
Tidswell Master Superannuation Plan	648,124	9.92	-	6,102,885	60,041
Mantra Hindmarsh Square Directors and their affiliates	71,185	1.09	-	448,888	4,857
	-	-	-	-	-
<b>Total</b>	<b>719,309</b>	<b>11.01</b>	<b>-</b>	<b>6,551,773</b>	<b>64,898</b>
<b>30 June 2020</b>					
Tidswell Master Superannuation Plan	6,690,859	16.17	649,686	8,559,262	517,229
Mantra Hindmarsh Square Directors and their affiliates	515,177	1.25	-	17,795	21,515
	-	-	-	487,381	4,438
<b>Total</b>	<b>7,206,036</b>	<b>17.42</b>	<b>649,686</b>	<b>9,064,438</b>	<b>543,182</b>

No fees are charged on transactions or balances invested by The Tidswell Master Superannuation Plan or Mantra Hindmarsh Square Managed Investment Scheme.

**(c) Key management personnel compensation**

Key management personnel were paid by the responsible entity. Payments made from the Scheme to the responsible entity did not include any amounts directly attributable to the compensation of key management personnel.

**(d) Key management personnel loan disclosures**

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the responsible entity, its key management personnel or their personally related entities at any time during the reporting period.

**(e) Other transactions with the Scheme**

Apart from those details disclosed in this note, the responsible entity has not entered into any other material contract with the Scheme since the end of the previous financial year and there were no material contracts involving director's interests at year end.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

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**(f) Responsible entity's fees and other transactions**

*Responsible entity fees*

Under the terms of the Scheme's Constitution, the responsible entity is entitled to receive responsible entity fees (referred to as Administration fee in the Product Disclosure Statement), calculated by reference to the 'Underlying Participants' invested funds on a monthly basis as follows:

- (i) 1.56% (2020: 1.56%) per annum of your account balance up to \$2,068,000<sup>1</sup> (2020: \$2,068,000)
- (ii) 0.78% (2020: 0.78%) per annum of your account balance over \$2,068,000<sup>1</sup> (2020: \$2,068,000)

In addition, a service fee is paid monthly based on the Contribution charges collected from Participants during the relevant month.

<sup>1</sup> This threshold amount is indexed against CPI on 1 July each year.

*General administration expenses*

The Responsible Entity is entitled under the Scheme Constitution, to be reimbursed for certain expenses incurred in administering the Scheme. The basis on which the expenses are reimbursed is defined in the Scheme Constitution. The amount is calculated in accordance with the Scheme Constitution.

*Balances with related parties*

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Scheme and the responsible entity were as follows:

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Responsible entity fees for the year	278,911	748,028
Responsible entity fees payable to the responsible entity at the reporting date	3,847	51,915

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

**(g) Related party investments held by the Scheme**

The Tidswell Investment Plan invests in The Pooled Mortgage Managed Investment Scheme (PMMIS), which is related managed investment scheme that invests in mortgage loans. The PMMIS is a separate entity although it remains a sub-scheme and authorised investment of The Tidswell Investment Plan.

**Details of the Scheme's investments in other schemes operated by TFSL, including fees paid to the Responsible Entity from those schemes are set out below:**

<b>Scheme</b>	<b>Participant Investment</b>	<b>Interest Held</b>	<b>New Investments</b>	<b>Redemptions</b>	<b>Distributions (Paid and Accrued)</b>	<b>Responsible Entity Fees</b>
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2021</b>						
PMMIS	3,062,595	100	-	33,154,958	240,116	-
DMMIS	-	-	-	1,131,000	24,620	1,452
CHUT	-	-	-	-	1,076,451	2,728
<b>Total</b>	<b>3,062,585</b>				<b>1,341,187</b>	
<b>30 June 2020</b>						
PMMIS	36,217,552	100	2,943,593	29,253,680	1,947,241	256,690
DMMIS	1,131,000	100	1,305,000	9,024,900	497,209	28,405
CHUT	1,269,536	94	-	-	1,405,468	76,889
<b>Total</b>	<b>38,618,088</b>				<b>3,849,918</b>	<b>361,984</b>

**(h) Custodian Fees**

The custodian fees are paid to Certane CT Pty Ltd (former Certes CT Pty Ltd) which was a related party during the reporting period. No fees were paid directly to the custodian by the Scheme. The fees due to the custodian are paid by the Responsible Entity of the Scheme.

**The Tidswell Investment Plan**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**  
**(continued)**

**13. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Net Profit / (Loss)	(157,366)	609,622
Net (gains)/losses on financial assets at fair value through profit or loss	1,244,911	2,593,069
Increase/(Decrease) in GST payable	108,009	(51,228)
Increase/(Decrease) in payables	(40,461)	51,711
Decrease/(Increase) in receivables	409	6,338,394
(Decrease)/Increase in provisions	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,155,502</b>	<b>9,541,568</b>

**(b) Non-cash financing and investing activities**

As investors are allocated specific Scheme investments and not Scheme units, distributions reinvested are disclosed as amounts only.

<b>(157,366)</b>	<b>609,622</b>
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**14. EVENTS SUBSEQUENT TO REPORTING DATE**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2021 or on the results and cash flows of the Scheme for the reporting period ended on that date.

**15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities or contingent assets at 30 June 2021 or 30 June 2020.

**The Tidswell Investment Plan  
RESPONSIBLE ENTITY DIRECTORS' DECLARATION  
For the year ended 30 June 2021**

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**Directors' Declaration**

The Directors of Tidswell Financial Services Ltd, Responsible Entity of The Tidswell Investment Plan, declare that:

1. The financial statements and notes, as set out on pages 7 to 28, are in accordance with the Corporations Act 2001, including:
  - (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Scheme.
2. These financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a).
3. In the directors' opinion there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Tidswell Financial Services Ltd:

**TIDSWELL FINANCIAL SERVICES LTD**



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**Director**

28 September 2021

## INDEPENDENT AUDITOR'S REPORT

To the unitholders of Tidswell Investment Plan

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tidswell Investment Plan (the Scheme), which comprises the statement of financial position as at 30 June 2021, 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 report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Tidswell Investment Plan, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Scheme's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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 Scheme, 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.

#### Other information

The directors of Tidswell Financial Services Limited (the Responsible Entity) are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors of the Responsible Entity for the Financial Report**

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

BDO  
A handwritten signature in black ink, appearing to read 'James Dixon', written over a faint, larger version of the BDO logo.

James Dixon  
Director

Melbourne, 28 September 2021