



Towers Watson Superannuation Pty Ltd

ACN 098 527 256

Annual Report - 31 December 2020



Directors' report	2
Auditor's independence declaration	4
Directors' declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Independent auditor's report to the members of Towers Watson Superannuation Pty Ltd	17



The directors submit herewith the annual financial report of Towers Watson Superannuation Pty Ltd (referred to hereafter as the 'Company') for the year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The following persons were directors of Towers Watson Superannuation Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jacqueline Downham

Kathryn Maartensz

David McNeice (re-appointed 1 August 2020)

Andrea Piaia

John Burnett

Brad Jeffrey (resigned 31 May 2020)

David McNeice acts as an alternate director for Jacqueline Downham in relation to one of the Funds under trusteeship. Brad Jeffrey acted as an alternate director for Jacqueline Downham in relation to one of the Funds under trusteeship for the period to 31 May 2020.

Principal activities

The principal activity of the company during the year ended 31 December 2020 was to act as an approved trustee company for corporate superannuation funds.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

In the year ended 31 December 2020, the loss for the entity after providing for income tax amounted to \$523 (2019: profit of \$2,557).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the entity during the financial year.

Matters subsequent to the end of the financial year

The COVID-19 pandemic negatively affected our revenue and operating results during 2020, and we expect that it will continue to have an impact on our financial condition and results of operations in the near term and may have a substantial and negative impact on our financial condition, liquidity, and results of operations in future periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

During or since the end of the financial year, the company has not indemnified or made a relevant agreement to indemnify any officer of the company against a liability incurred as such an officer. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer.

Indemnity and insurance of auditor

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Towers Watson Superannuation Pty Ltd
Directors' report
31 December 2020



Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in cursive script that reads 'J. Downham'.

Jacqueline Downham
Director

30 March 2021

~~Melbourne~~ Sydney

The Board of Directors
Towers Watson Superannuation Pty Ltd
Level 16, 123 Pitt Street
Sydney NSW 2000

30 March 2021

Dear Directors,

Auditor's Independence Declaration to Towers Watson Superannuation Pty Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Towers Watson Superannuation Pty Ltd.

As lead audit partner for the audit of the financial report of Towers Watson Superannuation Pty Ltd for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Stuart Alexander
Partner
Chartered Accountants



In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on special purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the owners of Towers Watson Superannuation Pty Ltd;
- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards as described in note 2 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in cursive script, appearing to read 'J. Downham'.

Jacqueline Downham
Director

30 March 2021

Towers Watson Superannuation Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020



	Note	2020 \$	2019 \$
Revenue	4	268	4,324
Expenses			
Other expenses from ordinary activities		(1,016)	(671)
Profit before income tax expense		<u>(748)</u>	<u>3,653</u>
Income tax benefit/(expense)	5	225	(1,096)
Profit after income tax		<u>(523)</u>	<u>2,557</u>
Attributable to:			
Owners of the Company		<u>(523)</u>	<u>2,557</u>

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

Towers Watson Superannuation Pty Ltd
Statement of financial position
As at 31 December 2020



	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	6	440,542	441,291
Total current assets		<u>440,542</u>	<u>441,291</u>
Total Assets		<u>440,542</u>	<u>441,291</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,661	2,887
Total current liabilities		<u>2,661</u>	<u>2,887</u>
Total Liabilities		<u>2,661</u>	<u>2,887</u>
Net Assets		<u>437,881</u>	<u>438,404</u>
Share capital	8	1,958,007	1,958,007
Accumulated losses		(1,520,126)	(1,519,603)
Total equity		<u>437,881</u>	<u>438,404</u>

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

Towers Watson Superannuation Pty Ltd
Statement of changes in equity
For the year ended 31 December 2020



	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 January 2019	1,958,007	(1,522,160)	435,847
Profit for the period	—	2,557	2,557
Balance at 31 December 2019	<u>1,958,007</u>	<u>(1,519,603)</u>	<u>438,404</u>

	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 January 2020	1,958,007	(1,519,603)	438,404
Loss for the year	—	(523)	(523)
Balance at 31 December 2020	<u>1,958,007</u>	<u>(1,520,126)</u>	<u>437,881</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Towers Watson Superannuation Pty Ltd
Statement of cash flows
For the year ended 31 December 2020



	Note	2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,017)	(33,001)
Net cash used in operating activities	12	<u>(1,017)</u>	<u>(33,001)</u>
Cash flows from investing activities			
Interest received		268	4,324
Net cash generated by investing activities		<u>268</u>	<u>4,324</u>
Net increase/(decrease) in cash and cash equivalents		(749)	(28,677)
Cash and cash equivalents at the beginning of period		<u>441,291</u>	<u>469,968</u>
Cash and cash equivalents at the end of the period	6	<u><u>440,542</u></u>	<u><u>441,291</u></u>

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



Note 1. General information

Towers Watson Superannuation Pty Ltd ('the Company') is a proprietary limited company incorporated in Australia. The 'head entity' in the current jurisdiction is Willis Towers Watson Australia Holdings Ltd.

The address of its registered office and principal place of business is Level 4, 555 Bourke Street, Melbourne, 3000.

The principal activities of the company are disclosed in the directors' report.

The financial statements were authorised for issue by the directors on 30 March 2021.

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

On March 9, 2020, WTW and Aon plc ('Aon') issued an announcement disclosing that the respective boards of directors of WTW and Aon had reached agreement on the terms of a recommended acquisition of WTW by Aon. Under the terms of the agreement each WTW shareholder will receive 1.08 Aon ordinary shares for each WTW ordinary share. At the time of the announcement, it was estimated that upon completion of the combination, existing Aon shareholders will own approximately 63% and existing WTW shareholders will own approximately 37% of the combined company on a fully diluted basis.

The transaction was approved by the shareholders of both WTW and Aon during meetings of the respective shareholders held on August 26, 2020 and remains subject to other customary closing conditions, including required regulatory approvals. The antitrust regulatory review of the transaction remains ongoing. In addition, there are numerous other regulatory approvals and other closing conditions that need to be met. The parties expect the transaction to close in the first half of 2021, subject to satisfaction of these conditions.

Note 2. Significant accounting policies

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

Basis of preparation

The Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The financial statements have been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and AASB 1054 Australian Additional Disclosures

Compliance with IFRS

Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of Towers Watson Superannuation Pty Ltd comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair value of the consideration given in exchange of assets. All amounts are presented in Australian dollars unless otherwise noted.



Note 2. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Willis Towers Watson Australia Holdings Ltd (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Cash and bank balances

For purposes of the Cash flow statement, cash includes cash on hand, cash at bank and deposits at call which are readily convertible to cash on hand and are subject to insignificant risk of changes in values, net of outstanding bank overdraft.

Interest income

Interest revenue arising from the bank balances is recognised as revenue in the period in which it is incurred.

Trade and other payables

These amounts represent intercompany payables at the end of the financial year. These amounts are unsecured.

Currency

The annual report is shown in Australian dollars.

Australian Accounting Standards issued

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. There were no significant measurement adjustments upon adoption of these standards.

- a. AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- b. AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- c. AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- d. AASB 2019-15 Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia

The adoption of these new or revised standards did not significantly impact the Group's financial report.

Australian Accounting standards and amendments issued but not yet effective

The Company expects to adopt these standards where applicable for the annual reporting periods beginning on or after the operative dates set out below.

Standard or Amendment	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 116 Property, Plant and Equipment	1 January 2022	31 December 2022
AASB 101 Presentation of Financial Statements (July 2015)	1 January 2023	31 December 2023
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2022	31 December 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	31 December 2022



Note 3. Financial risk management

The Company's activities expose it to a variety of financial risks, such as: market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Company follows its global risk management programs to minimise this risk.

Market risk – Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Company has no significant exposure to foreign exchange risk.

Credit risk

The Company has no significant concentrations of credit risk.

Liquidity and Cash flow interest rate risk

The Company's liquidity and cash flow interest rate risk is minimal.

Note 4. Revenue

	2020 \$	2019 \$
Revenue		
Interest income	268	4,324
Total Revenue	<u>268</u>	<u>4,324</u>

Note 5. Income tax expense

	2020 \$	2019 \$
Current tax	(225)	1,096
Income tax (benefit)/expense	<u>(225)</u>	<u>1,096</u>

Numerical reconciliation of income tax expense to prima facie income tax payable

	2020 \$	2019 \$
Profit from continuing operations before income tax expense	(748)	3,653
Income tax expense calculated at 30%	(225)	1,096
Income tax (benefit)/ expense	<u>(225)</u>	<u>1,096</u>



Note 6. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	440,542	441,291
Cash and cash equivalents	<u>440,542</u>	<u>441,291</u>

Note 7. Trade and other payables

	2020	2019
	\$	\$
Payables to parent entity	2,661	2,887
	<u>2,661</u>	<u>2,887</u>

Note 8. Equity - share capital

	2020	2019	2020	2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	7,251,000	7,251,000	1,958,007	1,958,007
B class shares - fully paid	—	—	—	—
Movement in ordinary share capital				
Opening balance			1,958,007	1,958,007
Shares issued			—	—
Closing balance			<u>1,958,007</u>	<u>1,958,007</u>

Ordinary shares

The ordinary shares are paid to 0.27 cents per share (31 December 2019: paid to \$0.27 per share)

Note 9. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the company:

	2020	2019
	\$	\$
<i>Audit services - Deloitte Touche Tohmatsu</i>		
Audit of the financial report	20,000	15,464
Audit of the Australian Financial Services Licence	5,000	10,513
Total Audit Services	<u>25,000</u>	<u>25,977</u>

Note 10. Contingent liabilities

There are no material contingent liabilities for the year ended 31 December 2020.



Note 11. Related party transactions

Controlling Entities

The parent entity is Towers Watson Australia Pty Ltd and the ultimate parent entity is Willis Towers Watson Plc incorporated in Ireland.

Towers Watson Australia Pty Ltd owns 100% of the issued capital of Towers Watson Superannuation Pty Ltd.

Key Management Personnel Disclosures

Directors

The following persons were directors of Towers Watson Superannuation Pty Ltd during the year ended 31 December 2020.

Jacqueline Downham	
Kathryn Maartensz	
David McNeice	(re-appointed 1 August 2020)
Andrea Piaia	
John Burnett	
Brad Jeffrey	(resigned 31 May 2020)

David McNeice acts as an alternate director for Jacqueline Downham in relation to one of the Funds under trusteeship. Brad Jeffrey acted as an alternate director for Jacqueline Downham in relation to one of the Funds under trusteeship for the period to 31 May 2020.

Other Key Management Personnel

There were no other persons who had the authority and responsibility for planning, directing and controlling the activities of the Company during the financial year.

Key Management Personnel Compensation

Remuneration received or receivable by the directors and the key management personnel of the company are paid by Towers Watson Australia Pty Ltd.

	2020	2019
	\$	\$
Short-term employee benefits	89,448	60,763
Post-employment benefits	8,475	5,469
	<u>97,923</u>	<u>66,232</u>

Transactions with related parties

Tax consolidation legislation

	2020	2019
	\$	\$
Current tax (receivable)/payable transferred to parent entity	<u>(225)</u>	<u>1,096</u>

Refer to note 7 for the total payable amount to the parent entity



Note 12. Reconciliation of profit after income tax to net cash used in operating activities

	2020 \$	2019 \$
(Loss)/profit after income tax expense for the year	(523)	2,557
Adjustments for:		
Investment income recognised in profit or loss	(268)	(4,324)
	<u>(791)</u>	<u>(1,767)</u>
Change in operating assets and liabilities:		
Decrease in trade and other payables	(226)	(31,234)
Net cash used in operating activities	<u>(1,017)</u>	<u>(33,001)</u>

Note 13. Financial instruments

Credit risk exposures

All financial assets are unsecured, unless otherwise disclosed.

The credit risk on financial assets of the company which have been recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions for doubtful debts.

Interest rate risk exposures

The company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

	Weighted average effective interest rate	Floating interest rate	Interest rate maturities					Non interest bearing	Total
			1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years		
	%	\$	\$	\$	\$	\$	\$	\$	\$
31 December 2020									
Financial assets / liabilities									
Cash at bank and on hand	— %	440,530	—	—	—	—	—	12	440,542
Payable to parent entity	—	—	—	—	—	—	—	(2,661)	(2,661)
		440,530	—	—	—	—	—	(2,649)	437,881
Net financial assets		440,530	—	—	—	—	—	(2,649)	437,881



Note 13. Financial instruments (continued)

	Weighted average effective interest rate	Floating interest rate	Interest rate maturities							Non interest bearing	Total
			1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years			
			\$	\$	\$	\$	\$	\$	\$		
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	
31 December 2019											
Financial assets / liabilities											
Cash at bank and on hand	1.1 %	441,279	—	—	—	—	—	—	12	441,291	
Payable to parent entity	—	—	—	—	—	—	—	—	(2,887)	(2,887)	
		441,279	—	—	—	—	—	—	(2,875)	438,404	
Net financial assets		441,279	—	—	—	—	—	—	(2,875)	438,404	

Reconciliation of net financial assets to net assets

	2020	2019
	\$	\$
Net financial assets (as above)	437,881	438,404
Non-financial assets and liabilities	—	—
	<u>437,881</u>	<u>438,404</u>

Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and monetary financial assets and financial liabilities of the company approximates their carrying values.

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

The following table illustrates the effect on net profit and equity from possible changes in market risk that were reasonably possible based on the risk the entity was exposed to at the reporting date:

Change in variable	+/-	Effect on			
		Net profit		Total equity	
		Twelve months to 31 December 2020	Twelve months to 31 December 2019	Twelve months to 31 December 2020	Twelve months to 31 December 2019
		\$	\$	\$	\$
Interest rate risk	+ 100bps	—	4,413	—	4,413
Interest rate risk	- 100bps	—	(4,413)	—	(4,413)

Note 14. Events after the reporting period

The COVID-19 pandemic negatively affected our revenue and operating results during 2020, and we expect that it will continue to have an impact on our financial condition and results of operations in the near term and may have a substantial and negative impact on our financial condition, liquidity, and results of operations in future periods.

Independent Auditor's Report to the members of Towers Watson Superannuation Pty Ltd

We have audited the financial report being a special purpose financial report of Towers Watson Superannuation Pty 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 other explanatory information, 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 then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2 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 Board of Towers Watson Superannuation Pty Ltd, would be in the same terms if given to the Board 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, 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 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, 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 Board for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the shareholders. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a 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 Board is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company 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.

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 Board.

- Conclude on the appropriateness of the Board's 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 Board 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Stuart Alexander
Partner
Chartered Accountants
Sydney, 30 March 2021