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**Form 388**

Corporations Act 2001

**294, 295, 298-300, 307, 308, 319, 321, 322**

Corporations Regulations

**1.0.08**

## Copy of financial statements and reports

### Company details

Company name

**THE FORUM GROUP OF COMPANIES  
PTY LTD**

ACN

**151 964 626**

### Lodgement details

Registered agent number

**7906**

Registered agent name

**ROTHSAY ACCOUNTING SERVICES PTY.  
LIMITED**

### Reason for lodgement of statement and reports

A large proprietary company that is not a disclosing entity

**Dates on which financial  
year ends**

Financial year end date

**30-06-2020**

### Details of large proprietary company

What is the consolidated revenue of the large proprietary company and the entities that it controls?

**57176453**

What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

**48606853**

How many employees are employed by the large proprietary company and the entities that it controls?

**167**

Form 388 - Copy of financial statements and reports  
THE FORUM GROUP OF COMPANIES PTY LTD ACN 151 964 626

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How many members does the large proprietary company have?

**22**

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### Auditor's report

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Were the financial statements audited?

**Yes**

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

**No**

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

**No**

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### Details of current auditor or auditors

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#### Current auditor

Date of appointment **19-10-2018**

Name of auditor

**ROTHSAY AUDIT & ASSURANCE PTY LTD**

Address

**LEVEL 1  
12-14 O'CONNELL STREET  
SYDNEY NSW 2000**

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### Certification

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I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

**Yes**

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### Signature

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Select the capacity in which you are lodging the form

**Agent**

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

**Yes**

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THE FORUM GROUP OF COMPANIES PTY LTD ACN 151 964 626

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## Authentication

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This form has been authenticated by	
Name	ROTHSAY ACCOUNTING SERVICES PTY. LIMITED
This form has been submitted by	
Name	Cathy STAMATOYIANNI
Date	14-10-2020

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# **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

## **Financial Statements**

For the Year Ended 30 June 2020

**The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

**Contents**

**For the Year Ended 30 June 2020**

	Page
<b>Financial Statements</b>	
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	29
Independent Auditor's Report	30

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Directors' Report**

**30 June 2020**

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2020.

#### **1. General information**

##### **Information on directors**

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

Basile Papadimitriou

Vincenzo Francesco Tesoriero - Resigned 24 April 2020

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

##### **Principal activities**

The principal activities of the Group during the financial year were providing print managed services, fleet, IT and environmental solutions.

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

#### **2. Operating results and review of operations for the year**

##### **Operating results**

The consolidated profit of the Group amounted to \$ 5,672,303 (2019: \$ 1,684,470).

##### **Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

##### **Share buy-back**

The directors of the company approved a reduction of the share capital in the form of a return of capital of \$5,000,000. In addition the company entered into a selective buy back of 913,329 shares held by Jason Hoen & Lindy Hoen as trustees of the J&L Hoen family trust

##### **Business combination changes**

The group acquired the business and assets of Smartprint Fleet Management Pty Ltd during the year, for a purchase consideration of \$4,500,000

The group further sold the business and assets of Forum Enviro Pty Ltd for a purchase consideration of \$5,000,000.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Directors' Report

30 June 2020

#### 3. Other items

##### Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

##### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

##### Future developments and results

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

##### Environmental issues

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

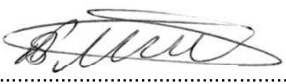
##### Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of The Forum Group of Companies Pty Limited and Controlled Entities.

##### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 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:  .....

Dated this 13th ..... day of October ..... 2020



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor of The Forum Group of Companies Pty Limited and Controlled Entities for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in relation The Forum Group of Companies Pty Limited and the entities it controlled during the year.

**Rothsay Audit & Assurance Pty Ltd**

A handwritten signature in black ink, appearing to read "Frank Vrachas".

**Frank Vrachas**

Director

Sydney, 13 October 2020

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# The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	4	57,176,453	96,172,737
Other income	4	3,161,383	6,867
Cost of sales		(28,935,035)	(62,132,437)
Employee benefits expense		(15,750,041)	(17,241,932)
Stock write off		370,254	(192,109)
Depreciation and amortisation expense		(2,107,793)	(529,814)
Foreign exchange losses		(7,663)	(19,806)
Accounting fees		(224,636)	(432,044)
Advertising & selling costs		(792,570)	(2,984,078)
Bad and doubtful debts		1,133,076	(479,912)
Travel		(816,285)	(978,698)
Occupancy costs		(825,832)	(2,258,528)
Administration expense		(4,226,096)	(5,288,863)
Loss on disposal of assets		-	(215,019)
Finance costs		(727,902)	(1,251,534)
<b>Profit before income tax</b>		<b>7,427,313</b>	<b>2,174,830</b>
Income tax expense	5	(1,755,010)	(490,360)
<b>Profit for the year</b>		<b>5,672,303</b>	<b>1,684,470</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,672,303</b>	<b>1,684,470</b>

The accompanying notes form part of these financial statements.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	2,229,752	6,282,582
Trade and other receivables	7	9,719,809	7,705,461
Inventories	8	7,935,130	8,615,636
Other assets	11	1,082,218	898,897
<b>TOTAL CURRENT ASSETS</b>		<b>20,966,909</b>	<b>23,502,576</b>
NON-CURRENT ASSETS			
Other financial asset		-	21,404
Property, plant and equipment	9	8,205,301	2,226,667
Deferred tax assets		1,409,131	2,113,353
Intangible assets	10	18,025,512	13,498,538
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,639,944</b>	<b>17,859,962</b>
<b>TOTAL ASSETS</b>		<b>48,606,853</b>	<b>41,362,538</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	10,164,803	10,955,172
Borrowings	13	174,761	4,263,588
Current tax liabilities		468,138	466,410
Lease liabilities	15	1,303,224	-
Provisions	16	1,720,622	1,256,972
Other financial liabilities	14	198,123	2,894,617
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,029,671</b>	<b>19,836,759</b>
NON-CURRENT LIABILITIES			
Borrowings	13	4,334,276	524,945
Lease liabilities	15	5,353,528	-
Provisions	16	938,661	353,275
Other financial liabilities	14	4,400,882	765,455
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>15,027,347</b>	<b>1,643,675</b>
<b>TOTAL LIABILITIES</b>		<b>29,057,018</b>	<b>21,480,434</b>
<b>NET ASSETS</b>		<b>19,549,835</b>	<b>19,882,104</b>
<b>EQUITY</b>			
Issued capital	17	13,375,378	19,379,951
Reserves		(900,000)	(900,000)
Retained earnings		7,074,457	1,402,153
<b>TOTAL EQUITY</b>		<b>19,549,835</b>	<b>19,882,104</b>

The accompanying notes form part of these financial statements.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

# Statement of Changes in Equity

## For the Year Ended 30 June 2020

## 2020

**Balance at 1 July 2019**

Share buy back during the year

Profit for the year

Transactions with owners in their capacity as owners

**Balance at 30 June 2020**

Issued Capital \$	Retained Earnings \$	Reserve \$	Total \$
19,379,951	1,402,153	(900,000)	19,882,104
(6,004,573)	-	-	(6,004,573)
-	5,672,303	-	5,672,303
-	-	-	-
<b>13,375,378</b>	<b>7,074,456</b>	<b>(900,000)</b>	<b>19,549,834</b>

## 2019

**Balance at 1 July 2018**

Profit for the year

Transactions with owners in their capacity as owners

**Balance at 30 June 2019**

Issued Capital \$	Retained Earnings \$	Reserve \$	Total \$
19,379,951	(282,317)	(900,000)	18,197,634
-	1,684,470	-	1,684,470
-	-	-	-
<b>19,379,951</b>	<b>1,402,153</b>	<b>(900,000)</b>	<b>19,882,104</b>

The accompanying notes form part of these financial statements.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		66,749,989	105,053,165
Payments to suppliers and employees		(58,522,950)	(95,191,902)
Interest paid		11,022	13,186
Income taxes paid		(1,049,060)	(3,028,641)
Net cash provided by/(used in) operating activities	20	7,189,001	6,845,808
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		10,694	13,954
Payment for intangible asset		(4,682,790)	(278,879)
Purchase of property, plant and equipment		(2,922,625)	(171,983)
Loans to related parties - proceeds from repayments		-	1,755,935
Net cash provided by/(used in) investing activities		(7,594,721)	1,319,027
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares		(6,004,571)	-
Proceeds from borrowings		-	3,906,717
Repayment of borrowings		1,054,247	(7,226,245)
Payment of finance lease liabilities		1,303,224	-
Net cash provided by/(used in) financing activities		(3,647,100)	(3,319,528)
Net increase/(decrease) in cash and cash equivalents held		(4,052,820)	4,845,307
Cash and cash equivalents at beginning of year		6,282,582	1,427,275
Cash and cash equivalents at end of financial year	6	2,229,762	6,272,582

The accompanying notes form part of these financial statements.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

## Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers The Forum Group and its controlled entities ('the Group'). The Forum Group is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the Directors' opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

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

### 2 Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

#### (b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **2 Summary of Significant Accounting Policies (continued)**

#### **(b) Business combinations (continued)**

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

#### **(c) 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 Group 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 Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Group are:

##### **Sales and service revenue**

The Group sells machinery to customers, the contract can include maintenance services. At the time a sale is made, if requested by the customer, included in the transaction price is a maintenance fee. This fee relates to maintenance work that may be required to be carried out on the equipment for a period after the initial sale.

The maintenance service is considered to be distinct service as it is both regularly supplied by the Group to other customers on a stand-alone basis and is available for customers from other providers in the market. Accordingly, a contract may contain two performance obligations - the sale of the machinery and the maintenance service.

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

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

###### **Specific revenue streams (continued)**

As such, a portion of the transaction price is allocated to the maintenance services and a portion is allocated to the sale of machinery. The allocation is based on the stand-alone selling price of those goods and services. Discounts are not considered as they are only given in rare circumstances and would not be considered significant.

Revenue relating to the maintenance services is recognised over the maintenance periods. The transaction price allocated to maintenance services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

###### **Gain on disposal of non-current assets**

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

###### **Other income**

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

##### **(d) 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 year 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.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(d) Income Tax (continued)**

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

##### **(e) 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.

##### **(f) 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

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.

##### **(g) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

##### **(h) 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.

###### **Plant and equipment**

Plant and equipment are measured using the cost model.



## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

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

##### (h) Property, plant and equipment (continued)

###### Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	2.5% - 66.67%
Leased plant and equipment	33.33%
Furniture, Fixtures and Fittings	8% - 66.67%
Motor Vehicles	20% - 25%
Office Equipment	8% - 66.67%
Improvements	2.5% - 25%
Low Value Asset Pool	37.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (i) Financial instruments

Financial instruments are recognised initially on the date that the Group 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 Group 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)

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

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

##### (i) Financial instruments (continued)

###### Financial assets (continued)

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 Group'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.

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.

###### *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 Group 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 Group'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

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

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

##### (i) Financial instruments (continued)

###### Financial assets (continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group 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 Group's historical experience and informed credit assessment and including forward looking information.

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

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

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

Credit losses are measured as the present value of the difference between the cash flows due to the Group 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 Group 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 Group 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 Group 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 Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(i) Financial instruments (continued)**

###### **Financial liabilities (continued)**

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

##### **(j) Impairment of non-financial assets**

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

Where an indicator exists and regardless for goodwill, 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, except for goodwill.

##### **(k) Intangibles**

###### **Goodwill**

Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(k) Intangibles (continued)**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

##### **Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, 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.

##### **(l) 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.

##### **(m) Leases**

For current year

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

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

##### (m) Leases (continued)

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Exceptions to lease accounting*

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (n) Employee benefits

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

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

##### (o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

##### (p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

### **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(q) Adoption of new and revised accounting standards**

The Group has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

#### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

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

##### **Key estimates - revenue recognition - long term contracts**

The Group undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

##### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

**The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

**Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

**4 Revenue and Other Income**

**Revenue from continuing operations**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers		
- sale of goods	<b>37,492,877</b>	80,010,226
- provision of services	<b>16,674,568</b>	15,230,858
	<b>54,167,445</b>	95,241,084
Revenue from other sources		
- finance brokerage	<b>1,775,260</b>	457,562
- finance income	<b>11,022</b>	13,185
- other revenue	<b>1,222,726</b>	445,730
	<b>3,009,008</b>	916,477
	<b>57,176,453</b>	96,157,561
Other income		
- other income	<b>1,691</b>	4,966
- sale of business	<b>3,159,692</b>	-
	<b>3,161,383</b>	4,966

**5 Income Tax Expense**

(a) The major components of tax expense (income) comprise:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current tax expense		
Current period	<b>1,332,470</b>	1,204,993
Future periods	<b>668,826</b>	(526,654)
Utilisation/(Recognition) of tax losses	<b>(246,286)</b>	(187,979)
	<b>1,755,010</b>	490,360
	<b>1,755,010</b>	490,360



**The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

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

(b) Reconciliation of income tax to accounting profit:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit	<b>7,427,313</b>	2,174,995
Tax	<b>30.00%</b>	30.00%
	<b>2,228,194</b>	652,499
Add:	-	-
Tax effect of:		
- Entertainment	<b>29,062</b>	29,378
- Other	<b>(255,960)</b>	(3,488)
	<b>2,001,296</b>	678,389
Less:		
Tax effect of:		
- Tax losses transferred from controlled entities	<b>246,286</b>	187,979
Income tax attributable to parent entity	<b>1,755,010</b>	490,410
Income tax expense	<b>1,755,010</b>	490,410

**6 Cash and Cash Equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>2,229,752</b>	6,282,582
	<b>2,229,752</b>	6,282,582

**7 Trade and Other Receivables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade receivables	<b>9,504,353</b>	7,436,710
Allowance for doubtful debts (Trade)	<b>(959,990)</b>	(871,145)
	<b>8,544,363</b>	6,565,565
Rental bonds	<b>1,021,783</b>	1,054,004
Other receivables	<b>153,663</b>	85,892
Related party receivable	-	1,869,014
Allowance for doubtful debts (Other)	-	(1,869,014)
	<b>9,719,809</b>	7,705,461

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 7 Trade and Other Receivables (continued)

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.

#### 8 Inventories

	2020	2019
	\$	\$
Current		
At cost:		
Stock on hand	6,332,859	9,134,521
Provision for stock obsolescence	(672,774)	(2,325,826)
Stock in transit	743,995	82,670
Toner in field	1,488,804	1,700,679
Consignment stock	42,246	23,592
	<u>7,935,130</u>	<u>8,615,636</u>

#### 9 Property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	6,923	336,849
Accumulated depreciation	(3,690)	(293,782)
	<u>3,233</u>	<u>43,067</u>
Furniture, fixtures and fittings		
At cost	27,031	193,614
Accumulated depreciation	(5,940)	(99,555)
	<u>21,091</u>	<u>94,059</u>
Motor vehicles		
At cost	533,699	946,717
Accumulated depreciation	(264,110)	(227,933)
	<u>269,589</u>	<u>718,784</u>
Office equipment		
At cost	665,790	1,022,471
Accumulated depreciation	(118,221)	(757,255)
	<u>547,569</u>	<u>265,216</u>

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 9 Property, plant and equipment (continued)

Leasehold improvements		
At cost	1,403,445	1,215,243
Accumulated depreciation	(389,028)	(220,186)
	<b>1,014,417</b>	<b>995,057</b>
Low value asset pool		
At cost	-	2,971
	<b>-</b>	<b>2,971</b>
Plant and equipment (leased)		
At cost	-	950,000
Accumulated depreciation	-	(844,066)
	<b>-</b>	<b>105,934</b>
Formation & borrowing costs		
At cost	-	1,579
	<b>-</b>	<b>1,579</b>
Right-of-Use - Buildings		
At cost	7,808,956	-
Accumulated depreciation	(1,459,554)	-
	<b>6,349,402</b>	<b>-</b>
	<b>8,205,301</b>	<b>2,226,667</b>

#### 10 Intangible Assets

	2020	2019
	\$	\$
Goodwill		
Cost	15,502,558	11,150,382
	<b>15,502,558</b>	<b>11,150,382</b>
Computer software		
Cost	693,375	413,240
Accumulated amortisation	(233,739)	(128,402)
	<b>459,636</b>	<b>284,838</b>
Database		
Cost	2,063,318	2,063,318
	<b>2,063,318</b>	<b>2,063,318</b>
	<b>18,025,512</b>	<b>13,498,538</b>

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 11 Other Assets

	2020	2019
	\$	\$
Current		
Prepayments	497,991	316,984
Loss reserves	584,227	581,913
	<u>1,082,218</u>	<u>898,897</u>

#### 12 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	9,833,114	5,549,187
Sundry payables and accrued expenses	331,689	5,405,985
	<u>10,164,803</u>	<u>10,955,172</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.

#### 13 Borrowings

	2020	2019
	\$	\$
Current		
Unsecured liabilities:		
Related party payables	-	3,906,717
	<u>-</u>	<u>3,906,717</u>
Secured liabilities:		
Bank overdraft	10,000	10,000
Lease liability	164,761	346,871
	<u>174,761</u>	<u>4,263,588</u>
Non-Current		
Unsecured liabilities:		
Shareholder payable	3,750,741	-
	<u>3,750,741</u>	<u>-</u>
Secured liabilities:		
Lease liability	583,535	524,945
	<u>4,334,276</u>	<u>524,945</u>

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 14 Other Financial Liabilities

	2020	2019
	\$	\$
Current		
Accrued income	1,029	2,736,247
Deferred income	197,094	158,370
	<u>198,123</u>	<u>2,894,617</u>
Related party loan - Smartprint acquisition	3,677,625	-
Deferred income	723,257	765,455
<b>Total</b>	<u>4,400,882</u>	<u>765,455</u>

#### 15 Leases

The following adjustments were recognised at 1 July 2019

##### Statement of profit or loss and other comprehensive income

	2020	2019
	\$	\$
Interest expense on lease liabilities	435,294	-
Depreciation on right of use asset	1,365,533	-
Occupancy costs	(1,587,498)	-
<b>Total</b>	<u>213,329</u>	<u>-</u>

##### Lease Liability

	2020	2019
	\$	\$
Current		
Buildings	1,303,224	-
Right of use asset - buildings and parking bays	1,303,224	-
<b>Total</b>	<u>2,606,448</u>	<u>-</u>
Non-Current		
Buildings	5,353,528	-
Right of use asset - buildings and parking bays	5,353,528	-
<b>Total</b>	<u>10,707,056</u>	<u>-</u>

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Notes to the Financial Statements

For the Year Ended 30 June 2020

#### 16 Provisions

	2020	2019
	\$	\$
Current		
Long service leave	341,010	305,490
Annual leave	929,612	951,482
Deferred consideration - Smartprint	450,000	-
	<u>1,720,622</u>	<u>1,256,972</u>
Non-Current		
Long service leave	165,076	106,866
Make good provision	246,409	246,409
Contingent consideration - Smartprint	527,176	-
	<u>938,661</u>	<u>353,275</u>

#### 17 Issued Capital

	2020	2019
	\$	\$
9,253,377 (2019: 15,199,626) Ordinary shares	<u>13,375,378</u>	<u>19,379,951</u>

##### 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.

#### 18 Dividends

Franked dividends declared or paid during the year were franked at the tax rate of 100%.

**The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

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

	2020	2019
	\$	\$
The franking credits available for subsequent financial years at a tax rate of 30%	<b>3,477,993</b>	3,546,555

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

**19 Interests in Subsidiaries****Composition of the Group**

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2020	Percentage Owned (%) <sup>*</sup> 2019
<b>Subsidiaries:</b>			
Forum Group Pty Ltd	Australia	<b>100</b>	100
Forum Group (QLD) Pty Ltd	Australia	<b>100</b>	100
Forum Group (VIC) Pty Ltd	Australia	<b>100</b>	100
Forum Enviro Pty Ltd	Australia	<b>100</b>	100
Forum Direct Pty Ltd	Australia	<b>100</b>	100
Imagetec Financial Services Pty Ltd	Australia	<b>100</b>	100
Forum Fleet Pty Limited	Australia	<b>100</b>	100
Forum Finance Pty Ltd	Australia	<b>100</b>	100
Forum Enviro (Aust) Pty Ltd	Australia	<b>100</b>	100
Imagetec Solutions Australia Pty Ltd	Australia	<b>100</b>	100
ORCA Enviro Systems Pty Ltd	Australia	<b>100</b>	100
Smartprint Fleet Management Pty Ltd	Australia	<b>100</b>	100
Onesource Australia Holdings Pty Ltd	Australia	<b>100</b>	100

<sup>\*</sup>The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

**20 Cash Flow Information**

	2020	2019
	\$	\$
Bank overdrafts	<b>(10,000)</b>	(10,000)
	<b>2,219,752</b>	6,272,582

**The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

**Notes to the Financial Statements****For the Year Ended 30 June 2020****(a) Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	<b>5,672,303</b>	1,684,470
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
depreciation and amortisation	<b>2,263,609</b>	529,814
- net gain on disposal of property, plant and equipment	<b>179,041</b>	215,019
provision for employee benefits	<b>71,860</b>	4,335
provision for doubtful debts	<b>104,001</b>	-
provision for stock write-down	<b>(1,653,052)</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(1,229,040)</b>	13,529,958
- (increase)/decrease in inventories	<b>2,333,558</b>	2,505,330
- (increase)/decrease in prepayments	<b>(161,917)</b>	(43,207)
- (increase)/decrease in trade creditors and accruals	<b>2,014,339</b>	(342,490)
- (increase)/decrease in borrowings	<b>(3,111,651)</b>	-
- (increase)/decrease in income taxes payable	<b>705,950</b>	(2,011,627)
- (increase)/decrease in other operating liabilities	-	(8,773,852)
- increase/(decrease) in deferred tax asset	-	(526,654)
- increase/(decrease) in other assets	-	74,712
Cashflows from operations	<b>7,189,001</b>	6,845,808

**21 Events after the end of the Reporting Period**

The financial report was authorised for issue on 30 September 2020 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

**22 Parent entity**

The following information has been extracted from the books and records of the parent, The Forum Group of Companies Pty Limited and Controlled Entities and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, The Forum Group of Companies Pty Limited and Controlled Entities has been prepared on the same basis as the financial statements except as disclosed below.



## **The Forum Group of Companies Pty Limited and Controlled Entities**

ACN 151 964 626

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **22 Parent entity (continued)**

#### *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

#### *Tax consolidation legislation*

The Forum Group of Companies Pty Limited and Controlled Entities and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

### **23 Statutory Information**

The registered office and principal place of business of the company is:

The Forum Group of Companies Pty Limited  
Level 5  
141 Walker St  
North Sydney NSW 2060

## The Forum Group of Companies Pty Limited and Controlled Entities

ACN 151 964 626

### Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 28, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
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 .....

13th October 2020

Dated



## INDEPENDENT AUDITOR'S REPORT

To the members of The Forum Group of Companies Pty Ltd.

### Opinion

We have audited the financial report of The Forum Group of Companies Pty Ltd (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) 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 as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, 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 are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 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 accordingly we do not express any form of assurance conclusion thereon.



#### **INDEPENDENT AUDITOR'S REPORT (continued)**

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.

#### **Responsibility 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 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibility 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 Group's internal control.



**INDEPENDENT AUDITOR'S REPORT (continued)**

- 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 Group'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 Group 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, amongst 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, related safeguards.

**Rothsay Audit & Assurance Pty Ltd**

**Frank Vrachas**  
Director

Sydney, 13 October 2020