

LIBERTY FIDUCIARY LIMITED

ABN 80 119 884 623

GENERAL PURPOSE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

**LIBERTY FIDUCIARY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report together with the financial report of Liberty Fiduciary Limited (the "Company") for the year ended 30 June 2019 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year were:

Richard Longes (Chairman)
Peter Hawkins
Sherman Ma

All directors held office throughout the year ended 30 June 2019 unless stated otherwise.

Company secretary

Peter Riedel

Principal activities

The principal activity of the Company is to act as the Responsible Entity for various Liberty Group investment funds.

Results and review of operations

The loss after income tax amounted to \$5,587 (2018: \$6,226).

Dividends

No dividend has been declared or paid since the incorporation of the Company. The directors do not recommend a dividend and no dividends were declared or paid during the year.

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events subsequent to balance date

There has not arisen in the interval between the end of the annual reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of such information would likely result in unreasonable prejudice to the Company.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

**LIBERTY FIDUCIARY LIMITED
DIRECTORS' REPORT (cont.)
FOR THE YEAR ENDED 30 JUNE 2019**

Indemnification of officers

Indemnification

The Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Company.

Insurance premiums

Liberty Financial Pty Ltd (a related entity) pays a premium each year in respect of a contract insuring the directors and secretary of the Company against liabilities past, present and future. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract. No such insurance cover has been provided for the benefit of any external auditor of the Company.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the financial year ended 30 June 2019.

This report is made with a resolution of the directors:



Sherman Ma
Director

Dated at Melbourne on 19 September 2019.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Liberty Fiduciary Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Liberty Fiduciary Limited for the financial year ended 30 June 2019 there have been:

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



KPMG



BW Szentirmay

Partner

Melbourne

19 September 2019

LIBERTY FIDUCIARY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Income			
Finance income	6	6,042	4,645
Expenses			
Operating expenses	7	<u>(14,023)</u>	<u>(13,539)</u>
Loss before income tax		<u>(7,981)</u>	<u>(8,894)</u>
Income tax benefit	8	<u>2,394</u>	<u>2,668</u>
Loss after tax		<u>(5,587)</u>	<u>(6,226)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(5,587)</u>	<u>(6,226)</u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 8 to 16.

LIBERTY FIDUCIARY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Retained	Total equity
	\$	losses	\$
	\$	\$	\$
Balance at 1 July 2017	200,100	(23,900)	176,200
Loss for the year	-	(6,226)	(6,226)
Balance at 30 June 2018	200,100	(30,126)	169,974
Balance at 1 July 2018	200,100	(30,126)	169,974
Issue of ordinary shares	200,000	-	200,000
Loss for the year	-	(5,587)	(5,587)
Balance at 30 June 2019	400,100	(35,713)	364,387

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 8 to 16.

LIBERTY FIDUCIARY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Assets			
Cash and cash equivalents	12	355,314	161,570
Prepayments		-	1,201
Deferred tax asset	9	17,741	15,347
Total Assets		373,055	178,118
Liabilities			
Payables	10	8,668	8,144
Total Liabilities		8,668	8,144
Net Assets		364,387	169,974
Equity			
Share capital	11	400,100	200,100
Retained losses		(35,713)	(30,126)
Total Equity		364,387	169,974

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 8 to 16.

**LIBERTY FIDUCIARY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Interest income received		3,042	1,645
Responsible Entity fee income received		3,000	3,000
Operating expenses paid		<u>(12,298)</u>	<u>(14,704)</u>
Net cash used in operating activities	12(b)	<u>(6,256)</u>	<u>(10,059)</u>
Cash flows from investing activities			
Movement in investing activities		<u>-</u>	<u>-</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from share issue		<u>200,000</u>	<u>-</u>
Net cash from financing activities		<u>200,000</u>	<u>-</u>
Net increase/(decrease) in cash held		193,744	(10,059)
Cash at the beginning of the year		<u>161,570</u>	<u>171,629</u>
Cash at the end of the year	12(a)	<u>355,314</u>	<u>161,570</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 16.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1 REPORTING ENTITY

Liberty Fiduciary Limited (the "Company") is a limited company domiciled in Australia. The address of the Company's registered office is Level 16, 535 Bourke Street, Melbourne, Victoria 3000. The Company is the Responsible Entity for various Liberty Group investment funds.

2 BASIS OF PREPARATION

The Company is a for profit entity for the purpose of preparing these financial statements.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

The Company has adopted AASB 9 and AASB 15 from 1 July 2018. Under the transition methods chosen, comparative information is not restated. Changes to significant accounting policies are described in note 3.

Certain comparative amounts have been re-presented to conform to the current year's presentation to enhance comparability.

The financial statements were approved by the Board of Directors on 19 September 2019.

(b) Basis of measurement

The financial statements have been prepared on the basis of historical cost except as otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key accounting estimates relate to the recoverability of deferred tax assets (refer to note 4 (b)).

3 CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the accounting policies set out in note 4, have been applied consistently to all periods presented in these financial statements.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3 CHANGES IN ACCOUNTING POLICIES (cont.)

(a) AASB 9 Financial Instruments

AASB 9 is mandatory for annual reporting periods commencing on or after 1 January 2018 and replaces AASB 139 Financial Instruments: Recognition and Measurement. In accordance with the transition requirements, comparatives are not restated.

Financial assets

Under AASB 9, the loans and receivables classification category was removed and a new classification category, amortised cost, was introduced. Financial assets of the Company previously classified as loans and receivables are now classified as amortised cost, based on the objective of the business model pertaining to those financial assets.

The transition to AASB 9 has had no impact on the measurement of any of the Company's financial assets.

Financial liabilities

The classification of the Company's financial liabilities remains unchanged under AASB 9. Financial liabilities continue to be subsequently measured at amortised cost.

Impairment of financial assets

AASB 9 introduced an expected credit loss (ECL) impairment model that replaced the incurred loss model and applies to all financial assets, except for those which are fair value through profit or loss (FVPL), and equity securities designated as at fair value through other comprehensive income (FVOCI), which are not subject to impairment assessment. The introduction of the ECL impairment model has had no financial impact on the assets of the Company.

Impact of transition to AASB 9

The adoption of AASB 9 has had no impact on the Company's opening balance of retained earnings at 1 July 2018.

(b) AASB 15 Revenue from Contracts with Customers

AASB 15 is mandatory for annual reporting periods commencing on or after 1 January 2018, and establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces previous revenue recognition guidance in AASB 118 Revenue. The Company has assessed all revenue streams that fall within the scope of the standard, and determined that transition impacts are immaterial. The Company has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at 1 July 2018. The adoption of AASB 15 has had no material impact on the Company's opening balance of retained earnings at 1 July 2018.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as otherwise disclosed (see note 3).

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, prepayments and payables.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4 SIGNIFICANT ACCOUNTING POLICIES (cont.)

(a) Non-derivative financial instruments (cont.)

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the statement of profit or loss and other comprehensive income, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment loss.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Cash and cash equivalents comprise of cash balances held at a bank.

(b) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any known or likely adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Finance income

Interest income is recognised using the effective interest method and is calculated on daily bank balances. Responsible Entity fee income is recognised as the related services are performed.

(d) Expense

All expenses are accounted for on an accruals basis.

	2019	2018
	\$	\$
5 AUDITOR'S REMUNERATION		
Audit Services		
Auditor of the Company - KPMG		
Audit of the financial statements	6,000	5,200
Other regulatory services	7,000	6,100
	13,000	11,300

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
6 FINANCE INCOME		
Interest income	3,042	1,645
Responsible Entity fee	3,000	3,000
	6,042	4,645
7 OPERATING EXPENSES		
ASIC fees	675	1,821
Professional advisor and consultancy fee	13,000	11,300
Other expenses	348	418
	14,023	13,539
8 INCOME TAX BENEFIT		
Recognised in the statement of profit or loss and other comprehensive income		
Current year	-	-
Deferred tax benefit		
Tax losses carried forward	2,394	2,668
	2,394	2,668
Income tax benefit	2,394	2,668
	2,394	2,668
Reconciliation between tax benefit and loss		
Loss before income tax	(7,981)	(8,894)
	(7,981)	(8,894)
Income tax benefit using domestic corporation tax rate of 30% (2018: 30%)	2,394	2,668
	2,394	2,668
Income tax benefit on loss	2,394	2,668
	2,394	2,668
9 DEFERRED TAX ASSET		
Opening balance	15,347	12,679
Tax losses recognised	2,394	2,668
	17,741	15,347
Closing balance	17,741	15,347
	17,741	15,347
10 PAYABLES		
Payables and accruals	8,668	8,144
	8,668	8,144
	8,668	8,144
	8,668	8,144

All payable balances are current.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
11 SHARE CAPITAL		
400,100 ordinary shares, fully paid (2018: 200,100)	400,100	200,100

Ordinary shares

On 20 September 2018 the Company issued 200,000 ordinary shares with a nominal value of \$200,000. The shares carry the same rights as the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

No dividend has been declared or paid since the incorporation of the Company. The directors do not recommend a dividend and no dividends were declared or paid during the year.

In the event of winding up, the Company's ordinary shareholders are fully entitled to any proceeds of liquidation.

12 CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at bank	355,314	161,570
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(b) Reconciliation of cash flows from operating activities

Loss after tax	(5,587)	(6,226)
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<i>Adjustments for:</i>	<i>-</i>	<i>-</i>
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Loss before changes in working capital	(5,587)	(6,226)
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Decrease/(increase) in prepayments	1,201	(1,201)
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Increase in tax assets	(2,394)	(2,668)
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Increase in payables	524	36
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Net cash used in operating activities	(6,256)	(10,059)
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13 DETERMINATION OF FAIR VALUES

The Company's disclosures require determination of fair values for financial assets and liabilities. Management assesses the evidence obtained from third parties to support the conclusion that fair value valuation meet the requirements of AASB 13, including the level in the fair value hierarchy in which such valuation should be classified. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. See note 13 (c) for further information about fair value measurement techniques.

(a) Short term financial assets and receivables

Cash and cash equivalents and prepayments are short term financial assets. Management have assessed that the carrying value of these assets approximates fair value as they are short term in nature.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13 DETERMINATION OF FAIR VALUES (cont.)

(b) Payables

The carrying value of payables approximates fair value as they are short term in nature.

(c) Fair value

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities. The Company has adopted AASB 9 at 1 July 2018. Financial assets not measured at fair value previously classified as loans and receivables are now classified as subsequently measured at amortised cost. Under the transition method chosen, comparative information is not restated.

2019	Note	Carrying Amount			Fair Value
		Financial assets at amortised cost	Other financial liabilities	Total	
		\$	\$	\$	\$
Financial assets not measured at fair value					
Cash and cash equivalents	12	355,314	-	355,314	355,314
Financial liabilities not measured at fair value					
Payables	10	-	(8,668)	(8,668)	(8,668)
		<u>355,314</u>	<u>(8,668)</u>	<u>346,646</u>	<u>346,646</u>

The fair value hierarchy is not presented for financial instruments not measured at fair value.

2018	Note	Carrying Amount			Fair Value
		Loans and receivables	Other financial liabilities	Total	
		\$	\$	\$	\$
Financial assets not measured at fair value					
Cash and cash equivalents	12	161,570	-	161,570	161,570
Prepayments		1,201	-	1,201	1,201
Financial liabilities not measured at fair value					
Payables	10	-	(8,144)	(8,144)	(8,144)
		<u>162,771</u>	<u>(8,144)</u>	<u>154,627</u>	<u>154,627</u>

The fair value hierarchy is not presented for financial instruments not measured at fair value.

Transfers between level 1, level 2 and level 3

There were no transfers between level 1, level 2 and level 3 in 2019 (2018: nil).

Level 3 fair values

In 2019 there were no financial assets or liabilities measured in the statement of financial position at fair value calculated using level 3 unobservable inputs (2018: nil).

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14 FINANCIAL RISK MANAGEMENT

(a) Overview

The Company may have exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk

Exposure to credit and market risk arises in the normal course of the Company's business. This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Risk, Audit and Compliance Committee (the "Committee") which is responsible for monitoring the emerging and changing risk profile of the Company. The Committee is responsible for reviewing the adequacy of internal systems, controls and procedures in relation to the risk management framework and the risks faced by the Company. Risk management policies and systems are updated to reflect changes in market conditions and the Company's activities.

The Company does not carry any financial instruments at fair value. Cash and cash equivalents, prepayments and payables are carried at amortised cost as an approximation of fair value.

(b) Credit risk

Credit risk is the risk of financial loss due to a counterparty failing to meet their contractual obligations. Credit risk arises primarily from cash and cash equivalents. Cash is held with a counterparty with sound credit ratings, therefore management does not expect the counterparty to fail to meet its obligations.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company does not have any activities that expose it to material market risk.

(d) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company maintains a minimum level of capital in liquid form to support future operational initiatives and the financial requirements of its Australian Financial Services Licence ("AFSL").

(e) Interest rate risk

Sensitivity analysis

A change in market interest rates affects the value placed on future cash flows. A movement in the variable interest rate of +1%/-1% would result in an increase/decrease in profit of \$3,553 (2018: \$1,616).

(f) Liquidity risk

The contractual maturity profile below is of the financial assets and liabilities at reporting date.

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14 FINANCIAL RISK MANAGEMENT (cont)

(f) Liquidity risk (cont.)

2019	Note	Carrying amount	Contractual cash flows	< 1 year	1-5 years	>5 years
		\$	\$	\$	\$	\$
Non-derivative financial assets						
Cash and cash equivalents	12	355,314	355,314	355,314	-	-
Total assets		355,314	355,314	355,314	-	-
Non-derivative financial liabilities						
Payables	10	8,668	8,668	8,668	-	-
Total liabilities		8,668	8,668	8,668	-	-
2018						
	Note	Carrying amount	Contractual cash flows	< 1 year	1-5 years	>5 years
		\$	\$	\$	\$	\$
Non-derivative financial assets						
Cash and cash equivalents	12	161,570	161,570	161,570	-	-
Prepayments		1,201	1,201	1,201	-	-
Total assets		162,771	162,771	162,771	-	-
Non-derivative financial liabilities						
Payables	10	8,144	8,144	8,144	-	-
Total liabilities		8,144	8,144	8,144	-	-

15 RELATED PARTIES

The immediate parent entity of Liberty Fiduciary Limited is Minerva Funds Management Limited and the ultimate parent entity is Quaker Partners LLC.

As Responsible Entity of Liberty Term Investment Fund and Liberty High Yield Fund, the Company is entitled to charge a fee of \$1,000 and \$3,000 per annum respectively. At this time, the Responsible Entity has waived its right to receive this fee from Liberty Term Investment Fund.

All transactions with related parties are conducted on normal commercial terms and conditions.

Key Management Personnel

Key management personnel are remunerated by a related entity. Key management personnel of the Company are the directors of the Responsible Entity.

The directors of the Company at any time during or since the end of the financial year were:

Richard Longes (Chairman)
Peter Hawkins
Sherman Ma

LIBERTY FIDUCIARY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16 COMMITMENTS AND CONTINGENT LIABILITIES

There are no outstanding commitments or contingent liabilities as at 30 June 2019 (2018: nil).

17 EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the annual reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

**LIBERTY FIDUCIARY LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019**

In the opinion of the directors of Liberty Fiduciary Limited (the "Company"):

- (a) the financial statements and notes, set out on pages 4 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance, as represented by the results of its operations and its cash flows for the year ended 30 June 2019 in accordance with the basis of accounting as described in note 2 (a);
 - (ii) complying with the Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2 (a); and
- (c) 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 the directors:



Sherman Ma
Director

Dated at Melbourne on 19 September 2019.



Independent Auditor's Report

To the members of Liberty Fiduciary Limited

Opinion

We have audited the **Financial Report** of Liberty Fiduciary Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- The statement of financial position as at 30 June 2019;
- The statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Liberty Fiduciary Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control 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; and
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

BW Szentirmay

Partner

Melbourne

19 September 2019