

Brendan Green

From: Andrew Woodfield <Andreww@cegfinance.com.au>
Sent: Thursday, 12 January 2023 12:12 PM
To: Brendan Green
Subject: RE: Commercial Equity Group Pty Ltd - 2021-2022 Financial Information Request
Attachments: img-112130444-0001.pdf

Hi Brendan

Happy New year to you as well – seems they come around more and more quickly and am sure someone has stolen some days somewhere 😊

Attached is a copy of the audited financials and the Auditors report for the 2021-2022 Financial year and below is our calculation of the Net Asset Backing per share and the valuation for the Harchand Super Fund

CEG Valuation of Shares as at 30/6/2022

Net Assets of CEG		\$ 13,986,984.73
Shares on Issue	17,519,077	
Value Per Share		\$ 0.79839

Shares held by SMSF	524,950	
Value of Shares held by SMSF		<u>\$ 419,112.70</u>

Regards

Andrew Woodfield
Administration Manager to AW (Tony) Seymour

Level 1, 6 Quadrant Mall, Launceston Tasmania 7250
Phone 03 6334 1288 - **Fax** 03 6331 7918 - **Mobile** 0474 474409
www.commercialequity.com.au
email: AndrewW@cegfinance.com.au

"There's nothing wrong with staying small. You can do big things with a small team" Jason Fried

From: Brendan Green <Brendan.Green@macrogroup.com.au>
Sent: Thursday, 12 January 2023 12:15 PM
To: Andrew Woodfield <Andreww@cegfinance.com.au>
Cc: Tony Seymour <Tonys@cegfinance.com.au>; Jocelyn Piper <jocelyn.piper@macrogroup.com.au>; Macro Group Admin <admin@macrogroup.com.au>
Subject: Commercial Equity Group Pty Ltd - 2021-2022 Financial Information Request

Hello Andrew,

Happy new year!

Similar to what you provided us last year, in order to complete the 2021-2022 Accounts for Harchand Superannuation Fund, may we please request:

1. The final 2021-2022 Audited Financial Statements for Commercial Equity Group Pty Ltd, including a copy of the signed Audit Report?
2. For valuation purposes, the value of the 'net asset backing per share' in Commercial Equity Group Pty Ltd as at 30 June 2022?

Many Thanks,



Brendan Green
Chartered Accountant



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Responsible Person: Nicole Bryant | Chartered Accountant
US Services: Nicole Bryant, CPA 118858, Licensed by the California Board of Accountancy
Limited AFSL: 485843, Nicole Bryant

From: Andrew Woodfield <Andreww@cegfinance.com.au>
Sent: Friday, 24 December 2021 8:37 AM
To: Brendan Green <Brendan.Green@macrogroup.com.au>
Cc: Tony Seymour <Tonys@cegfinance.com.au>
Subject: RE: Commercial Equity Group Pty Ltd - 2020-2021 Financial Information Request

Hi Brendan

As requested please find attached a copy of the signed audited financial statements for Commercial Equity Group.

In relation to a valuation of shares, we have adopted a value per share based on the net assets of the Company and for the Harchand Super Fund is calculated as follows:

G. J. WILSON & CO.

Chartered Accountants

Postal Address: P. O. Box 220
Launceston 7250

193 WELLINGTON STREET
LAUNCESTON 7250

Email: gj.wilsonco@bigpond.com

PHONE : (03) 6331 9339

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COMMERCIAL EQUITY GROUP PTY LTD

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for Commercial Equity Group Pty Ltd for the year ended 30th June 2022. The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibilities for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with the Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. As a result, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the Company's and the consolidated entity's financial report; and
- assessing the appropriateness of accounting policies used and disclosures made and the reasonableness of significant accounting estimates made by directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

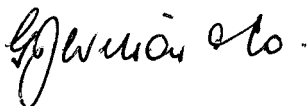
Independence

In conducting our audit, we complied with applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Commercial Equity Group Pty Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Commercial Equity Group Pty Ltd at 30th June 2022, and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



G. J. WILSON & CO.
Chartered Accountants

Launceston



Garry J Wilson

Date: 28 October 2022

STATEMENT OF FINANCIAL PERFORMANCE

Economic Entity

Commercial Equity Group Pty Limited

A.C.N. 009 509 077

For the year ended 30th June 2022

	Notes	2022 \$	2021 \$
Interest and similar income	2	3,925,378	3,971,990
Interest expense and similar charges	2	(1,134,347)	(1,024,133)
Fee and Commission Income	2	185,994	172,495
Fee and Commission Expense		(371,439)	(332,362)
Other operating Income		2,691	137,538
Bad and Doubtful Debts Expense	3	(360,090)	(564,000)
General administrative expenses (Staff, management fees and rent)		(511,406)	(593,609)
Insurance, Legal and Credit Enquiry costs		(26,463)	(28,558)
Other Operating Expenses		(91,860)	(133,965)
Loss On Fraudulent Transactions		-	53,974
Loss on Disposal of Fixed Assets		-	(2,422)
Profit from Ordinary Activities Before Income Tax		1,618,458	1,656,948
Income Tax Expense relating to Ordinary Activities		(207,809)	(559,510)
Net Profit after tax		1,410,649	1,097,438
Extraordinary item: Non Taxable Income - Business Cashflow Stimulus		-	52,044
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners		1,410,649	1,149,482

STATEMENT OF FINANCIAL POSITION

		Economic Entity	
Commercial Equity Group Pty Limited			
A.C.N. 009 509 077			
As at 30th June 2022			
	Notes	2022 \$	2021 \$
ASSETS			
Cash and Liquid Assets		3,989,331	1,873,297
Placements with other financial institutions		-	-
Prepaid Tax		386,834	547,252
Interest Accrued		-	-
Prepayments & Accrued receivables		10,553	14,320
		-	-
Loans and Advances	3	29,656,715	31,341,736
Property, Plant & Equipment		0	1,048
Investments		-	-
Intangibles		2,000,000	2,000,000
Borrowing costs		-	-
TOTAL ASSETS		36,043,433	35,777,653
LIABILITIES			
Payables		1,600	6,950
Non-Interest-Bearing Liabilities		-	-
Amounts owed to depositors		21,879,031	21,403,250
Bank Bills		-	-
Provisions		230,226	584,198
		-	-
TOTAL LIABILITIES		22,110,856	21,994,397
NET ASSETS		13,932,577	13,783,257
EQUITY			
Contributed Equity		11,736,591	11,736,591
Reserves		1,961,998	1,961,998
Retained Profits		233,988	84,668
		-	-
TOTAL EQUITY		13,932,577	13,783,257

STATEMENT OF CASH FLOWS

Economic Entity

Commercial Equity Group Pty Limited

A.C.N. 009 509 077

For the year ended 30th June 2022

Notes

2022

\$

2021

\$

CASH FLOWS FROM OPERATING ACTIVITIES

Interest Received from lending	3,917,704	3,901,219
Loans advances to customers	(11,408,892)	(9,550,981)
Repayment of loan principle by customers	10,619,702	9,644,766
Other receipts from Customers	365,771	915,360
Payments to suppliers and employees	(1,193,912)	(1,356,630)
Payments for taxation	(513,720)	(750,313)

Net Cash flows from operating activities	1,786,652	2,803,421
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for property, plant and equipment	-	(18,386)
Interest received from other financial institutions	7,674	6,063
Proceeds from sale of investments	-	-
Advance From other financial institutions	-	-

Net cash flows from investing activities	7,674	(12,323)
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CASH FLOWS FROM FINANCING ACTIVITIES

Deposits from investors	50,988,498	24,304,055
Withdrawals to investors	(48,271,070)	(19,869,107)
Transfers To/From Investments (net)	-	-
Loans from other financial institutions	-	(3,950,000)
Interest and other costs of finance paid	(1,134,347)	(1,024,133)
Cash flow from share allotment	-	-
Cash flow from other share issues	-	-
Dividend payments	(1,261,374)	(1,348,969)

Net cash flows from financing activities	321,707	(1,888,155)
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Net increase/(decrease) in cash held	2,116,034	902,943
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Cash at the beginning of the financial year	1,873,297	970,354
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Cash at end of financial year	3,989,331	1,873,297
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Commercial Equity Group Pty Limited
A.C.N. 009 509 077

For the year ended 30th June 2022

Note 2:	Average Balance \$	Interest \$	Average %
Interest Revenue 2022			
Deposits with other financial institutions	2,931,314	7,674	0.26
Loans and Advances	30,499,225	3,917,704	12.85
	<u>33,430,539</u>	<u>3,925,378</u>	<u>11.74</u>
Borrowing Costs 2022			
Loans from other financial institutions	-	-	#DIV/0!
Customer Deposits	21,641,140	1,134,347	5.24
	<u>21,641,140</u>	<u>1,134,347</u>	<u>5.24</u>
Net Interest Income 2022		2,791,031	
Interest Revenue 2021			
Deposits with other financial institutions	1,421,826	6,063	0.43
Loans and Advances	30,066,704	3,901,219	12.98
	<u>31,488,530</u>	<u>3,907,282</u>	<u>12.41</u>
Borrowing Costs 2021			
Loans from other financial institutions	1,975,000	20,134	1.02
Customer Deposits	19,120,427	1,003,999	5.25
	<u>21,095,427</u>	<u>1,024,133</u>	<u>4.85</u>
Net Interest Income 2021		2,883,149	

Note 3:	2022	2021
Gross loans outstanding	35,508,100	36,699,868
Unearned Revenue	(5,177,909)	(5,180,929)
	<u>30,330,190</u>	<u>31,518,939</u>
Provision for impairment	(673,475)	(1,456,705)
Net Loans outstanding	29,656,715	30,062,234
Short Term Loans To Related parties	-	1,279,502
	<u>29,656,715</u>	<u>31,341,736</u>
Maturity Analysis		
Not longer than 3 months	889,701	2,310,243
Longer than 3 months and less than 12 months	8,897,014	8,919,639
Longer than 1 year and less than 5 years	16,904,327	15,798,838
Longer than 5 years	2,965,671	3,033,513
	<u>29,656,715</u>	<u>30,062,234</u>
Provision for impairment		
<i>Specific provisions</i>		
Opening balance	1,456,706	960,211
Impairment losses recognised	360,000	564,000
Amounts written off	(1,143,230)	(67,505)
Amounts recovered	-	-
Total Provision for impairment	<u>673,476</u>	<u>1,456,706</u>
Bad and Doubtful Debts expense		
Impairment losses recognised	360,000	564,000
Amounts written off	(1,143,230)	(67,505)
Amounts recovered	-	71,538
Bad Debts recognised directly	-	-
	<u>(783,230)</u>	<u>568,033</u>