CENTRAL PURCHASING SERVICES LIMITED

ACN 605 290 364

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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CHAIRMAN'S REPORT TO SHAREHOLDERS – 2021 FINANCIAL YEAR

Central Purchasing Services and its subsidiary TradeSmart Industrial Group has just achieved its highest volume in its long history. In 2020/21 we recorded member purchases of over $66 million. This follows the significant growth we experienced in the previous year and comes despite the challenges that we have all faced with Supply chain issues, large swings in price increases and lockdowns.

The increase coincides with a concentrated program by the CPS and TradeSmart team to grow members. This has been achieved on both sides of the business.

The turnaround of CPS / TradeSmart over the last 4-years has been remarkable. It is a testament to the strategy executed by Stephen and the team who have delivered a low-cost model that enables active shareholders and members to compete by sourcing the right product at the right price.

These efforts have delivered significant benefits to active shareholders and members including improved rebates with a total of $3,264,276 being delivered to members. Last year we distributed $100,000 in a special trading rebate, this year members increased purchases through CPS enabled us to increase distribution to $130,000, a 30% improvement on the previous year.

As part of our endeavour to understand our members' needs, we conducted an extensive survey late in 2020, Stephen and the team facilitated the necessary changes to help us improve customer satisfaction. This is a project that we will continue for years to come, and we encourage your input as we believe feedback is the food of champions.

One of our core objectives has been to be owned by active shareholders. To achieve this will take time and we are taking action to move us closer to our desired state. Two key initiatives have recently been launched by the board. Firstly, we have recently initiated a share buyback for inactive members. Although it has only been several weeks since making this offer, the response has exceeded our initial expectations and we welcome those who have received an offer to take advantage of this opportunity.

Secondly, at the 2021 AGM we are asking you to approve a new share class for the business. Consistent with what was our historical practice, the company wishes to return to providing annual share rebates. To avoid a repeat of the present challenge of a large number of inactive shareholders, we are seeking your approval to issue Redeemable Preference Shares. This will allow us to redeem shares once the member becomes inactive, thus preventing the present situation from reoccurring.

We are also seeking shareholder approval to make several minor “housekeeping” changes to the constitution. We do not believe that these will have any detrimental impact on shareholder rights, and we look forward to your support.

While we navigate our way through the next 5 years of opportunities and challenges it is important that we stay true to our purpose, which I share with you below.

In closing, on behalf of the board, I thank all the members who are supporting us, now and in the past.

CPS PURPOSE STATEMENT

1. Benefit our members through providing an optimum buying experience - based on ease of transaction, price, range, service, marketing and I.T.
2. Focus on continual improvement and innovation to ensure that the benefits are long lasting and make a difference to the way our members buy now and in the future.
3. Be member owned.
4. Be passionate about our members being shareholders.
5. Provide advantage to our active shareholders.
6. We will proactively pursue those growth opportunities that improve our resilience and relevance to the markets we participate in to advantage our members.
7. Value our members’ uniqueness while harnessing the power of many.
8. Remain engaged with our shareholders, members, suppliers, and informed about the markets that we operate in.

Tim Ellery

Chairman Central Purchasing Services Ltd.

GENERAL MANAGERS REPORT TO SHAREHOLDERS – 2021 FINANCIAL YEAR

With the prospect of a mostly vaccinated population within sight, the future still remains uncertain with the challenge of “living with COVID” right before us. We, like so many others, had believed in March 2020 that the disruption to our lives would be short-lived, yet there is one challenge after another. For WA there will be some regression in the New Year to the level of freedom and enjoyment that we have sustained for so long. For other states, in particular, Victoria where three of our staff are located, their version freedom is so close yet still out of reach.

Despite the lockdowns on the east coast, the level of trade in most member businesses has continued to climb in a manner that has taken us all by surprise. Added to that, the challenges arising from the lack of stock availability have no end in sight and we, therefore, expect the “new normal” to be a period of continuing uncertainty.

Despite all of this, members of CPS and TradeSmart have responded positively, and the majority have increased purchasing through the respective groups over the 2021 Financial Year. Our business has welcomed a continual stream of new members, further strengthening our purchasing volume, effectively spreading our operational costs over an even wider base, underpinning our excellent profit result. We take this opportunity to thanks each one of our valued members for their strengthening support and we trust that your contribution will be rewarded for many years into the future.

2021 saw many of our past sales records tumble. We achieved the largest month in the history of the business, the largest single supplier volume in any one month, and the largest year in the business. Purchases through the group improved from $49.2m in 2020 to $66.2m in 2021, an increase of 34.5% over 2020. On a like for like basis, sales increased by $12,000,000 with new business creating the remaining $15,000,000 of growth. The growth was spread evenly over both buying groups, CPS and TradeSmart, and it was likewise evenly distributed across the various states of Australia.

Based on the profit for the year, the board have made provision in the accounts for a $130,000 additional rebate distribution, an increase of 30% on the $100,000 provided for in the 2020 accounts. This distribution was made in a manner consistent with that which had been the past practice of the business when it traded as a co-operative. Again, this distribution was made possible by members continuing to re-align their purchases to our groups.

Containing expenditure in a period of uncertainty is critical, and all staff have made an outstanding contribution in delivering results in the past year. Bearing in mind sales increased 34.5%, overall expenses before extraordinary items declined 1.6% on 2020 numbers.

The following table demonstrates the impact that our expense reduction efforts in comparison to total volume.

$'000	**Financial Year 2021**	**Financial Year 2020**	**10 year comparison FY2011**
Total Operating Expenses before bonus distribution	$1,919,'	$1,950,'	$1,720,'
Volume of Business	$66,200,'	$49,200,'	$21,904,'

Our pre-tax profit result of $404,184 reflects the mix of strong results in sales and expenses. The adjusted profit after tax, bringing to account the $130,000 bonus distribution was $274,184.

With the new year now well underway, we are witnessing a slight tapering of growth, due to difficulties in the supply of goods and materials for re-sale. The first-quarter sales have increased 8.2% on the first quarter of the 2021 financial year. The result for the present year will be highly dependent on stock availability and lockdowns. It is our present view that we will continue to experience growth from existing and prospective members.

Aside from the profit growth that we experienced; CPS has continued to reduce the level of margin that it retains. Although not visible in the consolidated financials provided, we are proud to advise that the group reduce its margin retention rate by a staggering 25% in the last year, all while increasing profits. This strategy of growing the level of rebate distributed continues to influence member buying patterns and is aiding the momentum in our sales growth.

In September 2021 the board was successful in gaining approval for a selective buy-back of shares from businesses who no longer trade with the group. For many people who have long since retired, this has provided a great opportunity for them to realise a financial gain from shares that have effectively been unsaleable for more than 10 years.

During the year we welcomed two new staff members to the team. Joanna Buddee has taken the reigns of Marketing Co-Ordinator, and Arthur Bazos has joined our Melbourne based team as Category Manager, enabling Robert Jones to begin transitioning to retirement.

Our Melbourne staff have endured the personal and professional challenges of the Melbourne lockdown. It's inspiring to see three people make a deliberate choice not to let this be an excuse but to bite down hard, grit their teeth, and make opportunities, changes and most of all, wins for our business and for members. To Joe, Robert and Arthur, my sincere thanks.

For our Perth staff, Greg, Wendy, Peggy, and Joanna, you have been simply amazing at improving our service delivery, being innovative in the way your approach and organise your work, and never giving up despite the workload demands that have been made on you over the year. I thank you for your efforts and for all that you have done in providing a streamlined interface with the members.

Finally, but of no less importance, I thank the members and suppliers for your mutual support to us and to each other in challenging times. You have contributed enormously to us over the year, and we are humbled by your support.

Stephen Wren
General Manager

DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 30 June 2021.

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Timothy John Ellery

Graeme Harold Norrish

Thomas Henry Wilson

Christopher John Langslow

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

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Warren Gandy – Secretary. Warren's employment ceased on 28th of June 2021.

Information on Directors

Timothy John Ellery – Chairman

Tim was appointed to the CPS Board in June 2003 and was elected chairman February 2019

Tim is the 2nd generation owner operator of Midstream Hardware, a trade focused business which was founded in 1979 and located in Mandurah. Tim has now been in the hardware industry for over 35 years and during this time Tim has acquired a in depth knowledge of all facets of running a business from still spending time on the floor or out greeting clients, sales and marketing, administration, accounting, strategic planning and change management. Tim served on the Promotional Committee for 6 years and was awarded CPS Member of the year in 2007 for contributions to CPS. Tim was appointed Chairman on 24 April 2019.

Graeme Harold Norrish — Deputy Chairman

Graeme was appointed to the CPS Board in July 1994.

Graeme has over 40 years' experience in the retailing industry and Co-operative movement and was the General Manager of BKW Co-operative Ltd, a founding member of CPS, for 30 years before retiring in 2017. Graeme has experience in accounting, business and sales management, as well as holding other Director positions.

Thomas Wilson

Tom was appointed to the CPS Board in September 2013.

Tom is the proprietor of T&C Supplies in Albany which over the years has multiplied in size and is now a primary provider of tools and industrial supplies to the south west of WA. Tom is experienced in developing successful and growing business based on the principals of service and range. Tom has previously served on the CPS board as an observer and has also been a member of the MAKIT Marketing Committee.

Christopher John Langslow

Chris was appointed to the CPS Board in June 2015.

Chris has been the CEO of Denmark Co-operative since 2008, during which time its retail activities in hardware and rural supplies have grown strongly. Denmark Co-operative has been a member of CPS Ltd since its inception. Chris has 20 years of experience in the field of corporate advisory, structuring and capital raising, primarily through his first career in international investment banking in Europe, Asia and Australia.

DIRECTORS' REPORT

Directors' meetings attended during financial year:-

	Number of meetings eligible to attend	Number of meetings attended
Timothy John Ellery	11	11
Graeme Harold Norrish	11	11
Thomas Henry Wilson	11	10
Christopher John Langslow	11	11

Directors' Interests

The relevant interest of each Director in the shares of the company are:

	Ordinary Shares
Graeme Harold Norrish	-
Timothy John Ellery	20,000
Thomas Wilson	500
Christopher John Langslow	-

No Director has received or become entitled to receive, during or since the end of the financial period, a benefit because of a contract made by the company, or related company with a Director, a firm of which a Director is a member or an entity in which a Director has substantial financial interest, other than the benefits as disclosed in the notes to and forming part of the accounts.

Review of Operations

The profit of the group for the financial year after providing for income tax increased by $179k to $305k (2020: $126k) and total revenue increased for the financial year to $17.77 million (2020: $13.04 million).

Significant Changes in the State of Affairs

There were no significant changes in the Company's state of affairs during the financial year ended 30 June 2021.

Principal Activities

The principal activities of the company during the financial year were the supply of hardware goods, industrial supplies and services to members.

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

Events Subsequent to the End of the Reporting Period

COVID 19 has impacted the group due to the restrictions imposed by the government however it has not significantly affected the financial position of the group as at the date of this report nor the financial results for the period then ended, nor have they had a significant impact subsequent to year end. Refer to note 19 for further commentary.

Other than the above, the directors are not aware of any significant events since the end of the reporting period.

CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

DIRECTORS' REPORT

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company 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 company.

Environmental Regulation

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

Dividends

a. No Dividends were paid this financial year.

b. No Dividends were declared for this financial year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

Directors and Officers Indemnity Insurance was amended during the year at a cost of $5,363. This renewed policy expires on 31 March 2022.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 9.

Rounding of Amounts

The amounts in the financial statements have been rounded to the nearest thousand dollars under ASIC Class Order CI 2016/191.

This Directors' Report is signed in accordance with a resolution of the Board of Directors:

....

Director ....
Timothy John Ellery

Dated this 22nd day of October 2021

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 22nd day of October 2021.

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CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue	2	17,766	13,041
Cost of sales	3	(18,031)	(13,401)
Gross (loss) / profit		(265)	(360)
Other income	2	2,326	2,216
Employee expenses		(1,127)	(1,113)
Marketing expenses		(54)	(48)
Occupancy expenses		(35)	(42)
Depreciation expenses		(80)	(80)
Administration expenses		(47)	(29)
Finance costs		(22)	(10)
Other expenses	3	(422)	(368)
Profit before income tax		274	166
Income tax (expense)/credit	4	31	(40)
Profit for the year		305	126
Other comprehensive income			
Total comprehensive profit for the year		305	126
Total comprehensive profit attributable to members of the entity		305	126

The accompanying notes form part of these financial statements.

CENTRAL PURCHASING SERVICES LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,150	1,603
Trade and other receivables	8	2,771	2,204
Other assets	9	189	261
TOTAL CURRENT ASSETS		5,110	4,068
NON-CURRENT ASSETS			
Property, plant and equipment	10	211	219
Lease assets – right-of-use	11	112	136
Investment	12	272	275
Intangible assets	13	431	431
Deferred tax assets	16	68	45
TOTAL NON-CURRENT ASSETS		1,094	1,106
TOTAL ASSETS		6,204	5,174
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	2,885	2,151
Provisions	15	143	109
Lease liabilities	11	27	23
TOTAL CURRENT LIABILITIES		3,055	2,283
NON-CURRENT LIABILITIES			
Lease liabilities	11	92	117
Deferred tax liabilities	16	49	66
TOTAL NON-CURRENT LIABILITIES		141	183
TOTAL LIABILITIES		3,196	2,466
NET ASSETS		3,008	2,708
EQUITY			
Issued capital	17	2,396	2,401
Accumulated profit/(losses)		612	307
TOTAL EQUITY		3,008	2,708

The accompanying notes form part of these financial statements.

CENTRAL PURCHASING SERVICES LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued Capital $'000	Accumulated Profit/(Losses) $'000	Total $'000
Consolidated			
Balance at 1 July 2019	2,401	18	2,582
Shares issued and allotted during the year	-	-	-
Shares cancelled during the year	-	-	-
Share buy back	-	-	-
Other	-	-	-
Profit attributable to members of the entity	-	126	165
Balance as at 30 June 2020	2,401	307	2,708
Balance at 1 July 2020	2,401	307	2,708
Shares issued and allotted during the year	(5)	-	(5)
Shares cancelled during the year	-	-	-
Share buy back	-	-	-
Profit attributable to members of the entity	-	305	305
Balance as at 30 June 2021	2,396	612	3,008

The accompanying notes form part of these financial statements.

CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		19,564	14,557
Payments to suppliers and employees		(18,933)	(14,431)
Interest received		13	12
Finance costs		(22)	(10)
Income tax paid		(3)	(10)
Net cash generated from/(used in) operating activities	20	619	118
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(72)	(44)
Purchase of investments		-	(71)
Net cash used in investing activities		(72)	(115)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		-	-
Repayment of borrowings		-	(26)
Proceeds from borrowings		-	-
Net cash provided by (used in) financing activities		-	(26)
Net (decrease)/increase in cash held		547	(23)
Cash at beginning of financial year		1,603	1,626
Cash at end of financial year		2,150	1,603

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Central Purchasing Services Limited and controlled entities (the “consolidated group” or “group”). The separate financial statements of the parent entity, Central Purchasing Services Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Central Purchasing Services Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 22 October 2021 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB). The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest thousand dollars.

a. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Income Tax (cont'd)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled
.

Reduction in corporate tax
The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line or diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	11.25%
Leasehold improvements	20%
Plant and equipment	15 — 40%
Motor Vehicles	20 — 22.5%

c. Property, Plant and Equipment (cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

The group as lessee

At inception of a contract, the group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the group where the group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted).

e. Financial Instruments (continued)

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
• amortised cost; or
• fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

e. Financial Instruments (continued)

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.
Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

e. Financial Instruments (continued)

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

On derecognition of an investment in equity which the Company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

e. Financial Instruments (continued)

General approach

Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.
This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.
In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

e. Financial Instruments (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.
The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.
Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.
For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. Impairment of Assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Foreign Currency Transactions and Balances

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

h. 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i. 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 best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Where the group acts as an agent, turnover represents commission receivable relating to the supply of goods and does not include the cost of goods supplied.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

l. Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

m. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent company Central Purchasing Services Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 25.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as “non-controlling interests”. The group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.
A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

m. Principles of Consolidation (cont'd)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

n. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

p. Goods and Services Tax (GST) (cont'd)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

q. Comparative Figures

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

Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

r. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates

(i) Impairment — general
The group assesses impairment at the end of each reporting period by evaluation of conditions and events 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 judgments

(i) Provision for impairment of receivables
Included in trade receivables at the end of the reporting period is a provision for impairment of $35k relating to trade debtor balances where full recovery is unlikely.

s. Application of New and Revised Accounting Standards

Standards and Interpretations in issue not yet adopted

The Directors have reviewed new accounting standards and interpretations that have been published that are not mandatory for 30 June 2021 reporting periods. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is likely to company accounting policies.

Standards and Interpretations applicable to 30 June 2021

In the 12-month period ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE AND OTHER INCOME

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue			
- Sales of goods		17,766	13,041
Other income			
- Other revenue	2a	2,262	2,134
- Interest received		13	12
- Government subsidies – COVID 19		51	70
		2,326	2,216
		20,092	15,257

a. Other revenue relates to rebates, marketing and membership activities.

NOTE 3: PROFIT BEFORE INCOME TAX

		2021	2020
Cost of Sales		18,032	13,401
Other Expenses			
- IT Costs		78	67
- Directors Fees & Associated Expenses		112	110
- Lease of Equipment		1	1
- Member Distribution & General Expenses		133	103
- Other		98	87
		422	368

	Consolidated 2021 $'000	Consolidated 2020 $'000

NOTE 4: INCOME TAX

	Consolidated 2021 $'000	Consolidated 2020 $'000
a. The components of tax expense / (benefit) comprise at 26% (2020: 27.5%) **Note 1a**:		
Current tax	9	2
Deferred tax	(42)	20
Losses recouped previously not recognised	1	-
Under provision of income tax	1	(18)
Income tax expense / (benefit)	(31)	40
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%) **Note 1a**	71	45
Add/(less) tax effect of:		
- other non-assessable items	(35)	14
- other assessable items	17	-
- losses recouped previously not recognised	(86)	(18)
- (over) / under provision of prior year income tax	1	(1)
- Change in tax rate	1	-
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income from continuing operations	(31)	40

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management (KMP) of the Company during the year are as follows:

	2021	2020
Short-term employee benefits	305	287
Post-employment benefits (superannuation)	25	25
	330	312

	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 6: AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	26	22
- taxation services provided by related practice of auditor	2	2
- other services	-	-
	28	24

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	2,122	1,431
Short-term bank deposits	28	172
	2,150	1,603

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank and on hand	2,122	1,431
Short-term bank deposits	28	172
	2,150	1,603

NOTE 8: TRADE AND OTHER RECEIVABLES

Trade receivables	2,806	2,223
Provision for impairment	(35)	(19)
	2,771	2,204

a. Provision for impairment of receivables

Movement in the provision for impairment of receivables as follows:

	Opening Balance 30 June 2020 $	Charge for the Year $	Amounts Written Off $	Closing Balance 30 June 2021 $
Current trade receivables	(19)	(16)	-	(35)

NOTE 8: TRADE AND OTHER RECEIVABLES (cont'd)

Credit risk

The group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The main source of credit risk to the group is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered "past due" when the debt has not been settled within the terms and conditions agreed between the group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past Due but Not Impaired				
	Gross Amount	**Past Due and Impaired**	**<30**	**31-60**	**61-90**	**>90**	**Within Initial Trade Terms**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Consolidated	**$**	**$**	**$**				**$**
2021							
Trade and term receivables	2,771	(35)	424	93	15	29	2,245
Total	2,771	(35)	424	93	15	29	2,245
Consolidated							
2020							
Trade and term receivables	2,204	(19)	473	24	2	32	1,692
Total	2,204	(19)	473	24	2	32	1,692

The group does not hold any financial assets whose terms have been renegotiated and would otherwise be past due or impaired.

b. Financial assets classified as loans and receivables

	Consolidated	**Consolidated**
	2021	**2020**
	$'000	**$'000**
Trade and other receivables:		
- total current	2,771	2,204
Total financial assets classified as loans and receivables	2,771	2,204

c. Collaterals held as security

No collateral is held over trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 9: OTHER ASSETS		
Prepayments	33	50
Accrued Income	154	205
Other Receivable	2	3
Current tax receivable	-	3
	189	261

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2021 $'000	Consolidated 2020 $'000
LEASEHOLD IMPROVEMENTS		
- Cost	19	19
- Accumulated Depreciation	(13)	(9)
Total leasehold improvements	6	10
PLANT AND EQUIPMENT		
- Cost	326	288
- Accumulated Depreciation	(157)	(120)
Total plant and equipment	169	168
MOTOR VEHICLES		
- Cost	42	42
- Accumulated Depreciation	(6)	(1)
Total motor vehicles	36	41
Total property, plant and equipment	211	219

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont'd)

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Furniture and Fittings	Leasehold Improvements	Plant and Equipment	Motor Vehicles	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2019	**-**	**14**	**210**	**31**	**255**
Additions	-	-	2	42	44
Disposals – written-down value	-	-	-	(31)	(31)
Depreciation expense	-	(4)	(44)	(1)	(49)
Carrying amount at 30 June 2020	**-**	**10**	**168**	**41**	**219**
Additions	-	-	38	-	38
Disposals – written-down value	-	-	-	-	-
Depreciation expense	-	(4)	(37)	(5)	(46)
Carrying amount at 30 June 2021	**-**	**6**	**169**	**36**	**211**

NOTE 11: RIGHT-OF-USE ASSETS / LEASE LIABILITIES

The Group's lease portfolio includes one property and one equipment lease.

The property lease runs for a period of 4 years with an option to renew for a further 4-year periods after that period. The extension option which management were reasonably certain to be exercised have been included in the calculation of the lease liability. Previously, the lease was classified as an operating lease under AASB 17.

The equipment lease runs for a period of 5 years. Previously, the lease was classified as an operating lease under AASB 17.

	Consolidated	Consolidated
	2021	**2020**
	$'000	**$'000**
a. AASB 16 related amounts recognised in the balance sheet		
Right-of-Use Assets		
- Balance at 1 July	164	164
- Revaluation adjustment	4	-
- Accumulated Depreciation	(56)	(28)
Balance at 30 June	112	136
Lease Liabilities		
- Balance at 1 July	140	163
- Revaluation adjustment	4	-
- Payments	(29)	(28)
- Interest charges	4	5
Balance at 30 June	119	140

	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 11: RIGHT-OF-USE ASSETS / LEASE LIABILITIES (cont'd)		
b. Lease Liability recognised as at 30 June 2021		
- Current lease liability	27	23
- Non-current lease liability	92	117
Total lease liability	119	140
c. AASB 16 related amounts recognised in the statement of profit or loss		
- Depreciation charge related to right-of-use assets	28	28
- Interest expense on lease liabilities	4	5
	32	33

NOTE 12: INVESTMENTS

Bonds (at fair value)	272	275
	275	275

NOTE 13: INTANGIBLE ASSETS

Purchased Goodwill:		
- Cash paid	250	250
- Deferred consideration paid	181	181
Purchased Goodwill	431	431

The goodwill is attributable to the profitability of the acquired business and the significant synergies arising on the Group's acquisition of the business of TradeSmart Industrial Group Pty Ltd.

No impairment has been recognised in respect of purchased goodwill for the years ended 30 June 2021 and 30 June 2020. The key assumptions used in calculating the recoverable amount include current revenue derived from the TradeSmart business and the residual profits of the TradeSmart business accruing to the Group. In performing the impairment assessment, cash flow forecasts and related assumptions have been reviewed. Management have adopted a conservative approach and not forecast any increase in revenue compared to the year ended 30 June 2021, which exceeded expectations.

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 14: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities:			
Trade payables	14a	2,118	1,511
Accrued expenses		115	67
Current tax payable		2	-
Other creditors		650	573
		2,885	2,151

a. Financial liabilities at amortised cost classified as trade and other payables

	Consolidated 2021 $'000	Consolidated 2020 $'000
Trade and other payables		
- total current	2,118	1,511
Financial liabilities as trade and other payables	2,118	1,511

NOTE 15: PROVISIONS

	Consolidated 2021 $'000	Consolidated 2020 $'000
CURRENT		
Employee entitlements	101	79
Other provisions	42	30
Total current provisions	143	109
NON-CURRENT		
Other provisions	-	-
Total non-current provisions	-	-

Analysis of provisions:	**Employee Entitlements $'000**	**Other Provisions $'000**	**Total $'000**
Opening balance at 1 July 2020	79	30	109
Movement during the year	22	12	34
Balance at 30 June 2021	101	42	143

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. Based on past experience, the group does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, this amount must be classified as current liability since the group does not have an unconditional right to defer the settlement of this amount in the event employees wish to use their leave entitlement.

NOTE 16: TAX NON-CURRENT

Analysis of provisions:	**Opening Balance**	**Tax Rate Differential**	**Charged / Credited to Profit or Loss**	**Over and Under**	**Closing Balance**
Consolidated	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2021 at 25% (2020: 26%) **Note 1a**					
Deferred tax assets on:					
Provisions – employee benefits	21	(1)	4	-	24
Provision for doubtful debts	18	(1)	16	-	33
Accruals	5	-	4	-	9
Net Right of use/Lease liability	1	1	-	-	2
	45	(1)	24	-	68
Deferred tax liabilities on:					
Accrued income	(54)	2	13	-	(39)
Prepayments	(1)	-	-	-	(1)
Plant and equipment	(10)	-	1	1	(8)
Unrealised gain on investments	(1)	-	-	-	(1)
	(66)	2	14	1	(49)
Consolidated					
2020					
Deferred tax assets on:					
Provisions – employee benefits	19	(1)	3	-	21
Provision for doubtful debts	5	-	-	-	5
Accruals	23	(1)	(3)	-	18
Property, plant and equipment	-	-	1	-	1
	47	(2)	1	-	45
Deferred tax liabilities on:					
Property, plant and equipment					
Other	(27)	1	(27)	-	(53)
Accrued income	(1)	-	-	-	(1)
Prepayments	(1)	-	(11)	1	(10)
Unrealised gain on investments	(1)	-	-	-	(1)
	(1)	-	1	-	-

The following deferred tax assets have not been recognised, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur:

- Tax revenue losses $6,814 (2019: $106,589)

	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 17: ISSUED CAPITAL		
2,396,351 (2020: 2,395,351) fully paid ordinary shares	2,401	2,395
Shares allotted but not issued	(5)	6
Total shares issued and allotted	2,396	2,401

The company has authorised share capital amounting to 10,000,000 ordinary shares of no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTE 18: RELATED PARTY TRANSACTIONS

The Company's main related parties are as follows:

a. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

b. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

There were no transactions with other related parties during the year ended 30 June 2021.

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

On the 11th March 2020, the World Health Organisation declared the Coronavirus or COVID 19 a pandemic. COVID 19 is a health risk that has global consequences which has significantly affected the world economy. The strategies adopted by governments in dealing with the virus at an international, domestic and local level are changing daily and re-assessments by governments and world leaders is ongoing. Various industries have and will continue to be impacted more than others for some time to come.

With respect to the financial reporting period ended 30 June 2021 the financial statements have been prepared based upon conditions existing as at that date, although adjustments have been made where appropriate for impacts of COVID 19 that have arisen subsequent to that date and which provide further clarity in relation to account balances recorded as at 30 June 2021. There is a general consensus that the effects of the COVID 19 outbreak are the result of an event that arose during the reporting period, although its effects have continued to evolve subsequent to year end.

Although COVID 19 has impacted the group due to the restrictions imposed by the government it has not significantly affected the financial position of the group as at the date of this report nor the financial results for the period then ended, nor have they had a significant impact subsequent to year end.

The COVID 19 pandemic has created unprecedented uncertainty in terms of the overall economic environment such that economic events and conditions in future may be materially different from those experienced by the group as at the date of this report. At this time, it is not possible for the group to estimate the future effects of COVID 19 on its operations as any impact will depend on the magnitude and duration of any possible restrictions, with the full range of possible effects unknown.

Other than the above, the directors are not aware of any significant events since the end of the reporting period.

	Consolidated 2021 $'000	Consolidated 2020 $'000
NOTE 20: CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit after tax		
Profit after income tax	305	126
Non-cash flows in profit:		
- depreciation	80	80
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(515)	(688)
- decrease/(increase) in prepayments	17	51
- increase in deferred tax	(40)	37
- increase/(decrease) in trade and other payables	733	510
- increase in current tax payable	5	(7)
- (increase)/decrease in impact of adoption of AASB16	-	4
- increase/(decrease) in provisions	34	5
Net cash generated from/(used in) operating activities	619	118

NOTE 21: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Financial assets			
Cash and cash equivalents	7	2,150	1,603
Trade and other receivables	8	2,771	2,204
Investment in Bonds	12	272	275
Total financial assets		5,193	4,082
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	14	2,885	2,151
Total financial liabilities		2,885	2,151

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimizing potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not have any derivative instruments at 30 June 2021.

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the group, credit terms are generally 14 to 45 days from the date of invoice.

NOTE 21: FINANCIAL RISK MANAGEMENT (cont'd)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to third parties in relation to obligations under its bank bill facility. The group has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 8.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	Consolidated 2021 $ '000	Consolidated 2020 $ '000
Cash and cash equivalents			
- Cash on hand	7	2,150	1,603
		2,150	1,603

b. Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets. The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. The group does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 21: FINANCIAL RISK MANAGEMENT (cont'd)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	Consolidated		Consolidated		Consolidated		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due for payment								
Borrowings	-	-	-	-	-	-	-	-
Trade and other payables	2,885	2,151	-	-	-	-	2,885	2,151
Total contractual outflows	2,885	2,151	-	-	-	-	2,885	2,151
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	2,885	2,151	-	-	-	-	2,885	2,151
Financial assets – cash flows realisable								
Cash and cash equivalents	2,150	1,603	-	-	-	-	2,150	1,603
Trade and other receivables	2,771	2,204	-	-	-	-	2,771	2,204
Investment in Bonds	-	-	-	-	272	275	272	275
Total anticipated inflows	4,921	3,807	-	-	272	275	5,193	4,082
Net inflow/(outflow) on financial instruments	2,036	1,656	-	-	272	275	2,308	1,931

c. Market risk

i. *Interest rate risk*
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The group is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the group to interest rate risk are limited to borrowings, listed shares, and cash and cash equivalents.

ii. *Other price risk*
Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The group is not exposed to any material commodity price risk.

NOTE 21: FINANCIAL RISK MANAGEMENT (cont'd)

Sensitivity analysis
The following table illustrates sensitivities to the group's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	$ '000	$ '000
Year ended 30 June 2021		
+/- 2% in interest rates	43	43
Year ended 30 June 2020		
+/- 2% in interest rates	32	32

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the group. Most of these instruments which are carried at amortised cost (ie trade receivables, loan liabilities) are to be held until maturity and therefore the fair value figures calculated bear little relevance to the group.

	Note	Consolidated 2021		Consolidated 2020	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		$ '000	$ '000	$ '000	$ '000
Financial assets					
Cash and cash equivalents	(i)	2,150	2,150	1,603	1,603
Trade and other receivables	(i)	2,771	2,771	2,204	2,204
Investment in bonds		272	272	275	275
Total financial assets		5,193	5,193	4,082	4,082
Financial liabilities					
Trade and other payables	(i)	2,885	2,885	2,151	2,151
Borrowings	(ii)	-	-	-	-
Total financial liabilities		2,885	2,885	2,151	2,151

NOTE 21: FINANCIAL RISK MANAGEMENT (cont'd)

The fair values disclosed in the above table have been determined based on the following methodologies:

i. Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 9 and AASB 7.

ii. Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt will differ from carrying amounts.

NOTE 22: COMPANY DETAILS

The registered office of the company is:

Central Purchasing Services Limited

2/7 Kintail Road

APPLECROSS WA 6153

NOTE 23: CONTINGENT LIABILITIES

The group does not have any contingent liabilities as at 30 June 2021.

NOTE 24: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned (%)*	
Parent entity:		**2021**	**2020**
Central Purchasing Services Limited	Australia		
Subsidiaries:			
TradeSmart Industrial Group Pty Ltd	Australia	100%	100%

NOTE 26: PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2021 $'000	2020 $'000
Statement of Financial Position		
ASSETS		
Current assets	4,249	3,533
Non-current assets	1,093	1,109
TOTAL ASSETS	5,342	4,642
LIABILITIES		
Current liabilities	4,048	3,149
Non-current liabilities	142	183
TOTAL LIABILITIES	4,190	3,332
NET ASSETS	1,152	1,310
EQUITY		
Issued capital	2,396	2,401
Retained earnings	(1,244)	(1,091)
TOTAL EQUITY	1,152	1,310
Statement of Profit or Loss and Other Comprehensive Income		
Total profit/(loss)	153	2
Total comprehensive income/(loss)	153	2

Guarantees

The parent entity has not entered into any guarantees during the year ended 30 June 2021.

Contingent liabilities

The parent entity does not have any contingent liabilities as at 30 June 2021.

Contractual commitments

The parent entity does not have any contractual liabilities as at 30 June 2021.

CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Central Purchasing Services Limited, the Directors declare that:

1. the financial statements and notes, as set out on pages 10 to 42 are in accordance with the *Corporations Act 2001* and:

   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity.

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.

Director ....
Timothy John Ellery

Dated this 22nd day of October 2021

Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364

Opinion

We have audited the accompanying financial report of Central Purchasing Services Limited ("the Company") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration 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..

In our opinion the accompanying financial report of Central Purchasing Services Limited is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year then ended; 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 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, 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.

Responsibilities of the 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 *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CENTRAL PURCHASING SERVICES LIMITED
ACN 605 290 364 (CONTINUED)

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our audit report.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 22nd day of October 2021.