Turner Securities Ltd

ABN: 85 122 088 617

Financial Statements

For the year ended 30 June 2022

Contents
For the year ended 30 June 2022

Directors' Report
For the year ended 30 June 2022

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2022.

(a) General Information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:
Mr Kenneth Mark Flint
Mr Grant Robert Miles
Mr David James McArdle
Mr Michael Andrew Wilkins

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

(b) Operating results and review of operations for the year

Review of operations

The profit of the Company for the financial year after providing for income tax amounted to $992,944 (2021: loss $122,376).

With a number of new customer loans being approved throughout the past 6 months, the Company has closed the 2022 financial year with a full loan book. The Directors are pleased with the current financial position of the business, particularly given the broader economic environment. The Directors are confident with the current financial outlook for the business, withstrong profitability and business performance forecast for 2023.

(c) Other items

Significant changes in the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Company during the financial year was commercial finance lending.

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

Events subsequent to the end of the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Report
For the year ended 30 June 2022

(c) Other items (cont)

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

Preference share dividends of $70,000 were paid during the year (2021: $70,000). No dividends were proposed for ordinary shares for the year.

Options

No options over issued shares or interests in the Company or a controlled entity 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 or interests in the Company or a controlled entity have been 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

During or since the end of the financial year, the Company has paid premiums to insure each director against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Directors' Report
For the year ended 30 June 2022

(c) Other items (cont)

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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:

Director: .... Director: ....

Dated this 19TH day of SEPTEMBER 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TURNER SECURITIES LTD

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

William Buck

William Buck (SA)
ABN 38 280 203 274

G.W. Martinella
Partner

Dated this 20th day of September, 2022

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Turner Securities Ltd
ABN: 85 122 088 617

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Finance revenue	2	4,960,507	3,349,275
Other income		9,315	42,023
Marketing expenses		(5,592)	(8,594)
Occupancy costs		(102,394)	(98,565)
Administrative expenses		(791,402)	(711,256)
Other expenses		(845,387)	(444,379)
Finance costs		(1,882,798)	(2,303,398)
Profit before income tax		**1,342,249**	**(174,894)**
Income tax expense		(349,305)	52,518
Profit for the year		**992,944**	**(122,376)**
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**992,944**	**(122,376)**

The accompanying notes form part of these financial statements.

Turner Securities Ltd
ABN: 85 122 088 617

Statement of Financial Position
As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	4,133,897	15,184,985
Trade and other receivables	9	25,270	84,723
Current tax receivable	16	11,266	2,152
Mortgage assets	10	35,549,567	20,906,254
Other assets	11	30,448	17,472
TOTAL CURRENT ASSETS		**39,750,448**	**36,195,586**
NON CURRENT ASSETS			
Trade and other receivables	9	21,898	21,623
Property, plant and equipment	12	34,832	632,653
Deferred tax assets	16	15,809	17,476
TOTAL NON CURRENT ASSETS		**72,539**	**671,752**
TOTAL ASSETS		**39,822,987**	**36,867,338**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	258,209	410,736
Borrowings	14	29,910,241	28,155,245
Current tax liabilities	16	344,305	(49,331)
Other liabilities	15	1,966,706	356,605
Employee benefits	17	59,152	64,286
TOTAL CURRENT LIABILITIES		**32,538,613**	**28,937,541**
NON CURRENT LIABILITIES			
Borrowings	14	4,664,000	6,235,000
Deferred tax liabilities	16	16,042	13,409
TOTAL NON CURRENT LIABILITIES		**4,680,042**	**6,248,409**
TOTAL LIABILITIES		**37,218,655**	**35,185,950**
NET ASSETS		**2,604,332**	**1,681,388**
EQUITY			
Issued capital		913,335	913,335
Retained earnings		1,690,997	768,053
TOTAL EQUITY		**2,604,332**	**1,681,388**

The accompanying notes form part of these financial statements.

Turner Securities Ltd
ABN: 85 122 088 617

Statement of Changes in Equity
For the year ended 30 June 2022

	Ordinary Shares	Redeemable Preference Shares $	Retained Earnings $	Total $
Balance at 1 July 2020	**213,335**	**700,000**	**960,429**	**1,873,764**
Profit attributable to members of the entity	-	-	(122,376)	(122,376)
Dividends provided or paid	-	-	(70,000)	(70,000)
Balance at 30 June 2021	**213,335**	**700,000**	**768,053**	**1,681,388**
Balance at 1 July 2021	**213,335**	**700,000**	**768,053**	**1,681,388**
Profit attributable to members of the entity	-	-	992,944	992,944
Dividends provided or paid	-	-	(70,000)	(70,000)
Balance at 30 June 2022	**213,335**	**700,000**	**1,690,997**	**2,604,332**

The accompanying notes form part of these financial statements.

Turner Securities Ltd
ABN: 85 122 088 617

Statement of Cash Flows
For the year ended 30 June 2022

		2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,149,244	1,193,895
Payments to suppliers and employees		(1,724,641)	(1,170,451)
Proceeds from repayment of loans		10,474,850	16,729,616
Payments for loans		(25,118,439)	(17,488,710)
Interest received		3,481,019	2,304,586
Interest paid		(1,882,798)	(2,293,184)
Income taxes paid		48,631	(79,341)
Net cash used in operating activities	20	**(11,572,134)**	**(803,589)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from property plant and equipment		414,551	7,173,832
Payments for property, plant and equipment		(7,501)	(425,309)
Net cash provided by investing activities		**407,050**	**6,748,523**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of debentures		3,596,046	3,789,800
Repayment of debentures		(3,412,050)	(5,021,985)
Dividends paid		(70,000)	(70,000)
Net cash used in financing activities		**113,996**	**(1,302,185)**
Net increase/(decrease) in cash and cash equivalents held		**(11,051,088)**	**4,642,749**
Cash and cash equivalents at beginning of year		15,184,985	10,542,236
Cash and cash equivalents at end of financial year	8	**4,133,897**	**15,184,985**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2022

The financial report covers Turner Securities Ltd as an individual entity. Turner Securities Ltd is a for profit limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Turner Securities Ltd is Australian dollars.

The financial report was authorised for issue by the directors on the date of signing.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* .

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company has concluded that the requirements set out in AASB 10: *Consolidated Financial Statements and Statements* and AASB 128: *Investments in Associates and Joint Ventures* are not applicable, as the Company does not have any interests in other entities and therefore does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements of the Australian Accounting Standards.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

1 Summary of Significant Accounting Policies

(b) Income Tax (cont)

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

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.

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

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

(c) Goods and Services Tax (GST)

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

Receivables and 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.

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.

(d) Revenue and Other Income

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

1 Summary of Significant Accounting Policies

(d) Revenue and Other Income (cont)

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable contract work in progress asset or contract liability.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest revenue

Interest income is recognised using the effective interest method.

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

(e) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use.

1 Summary of Significant Accounting Policies

(e) Fair Value of Assets and Liabilities (cont)

The fair value of liabilities and the Company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(f) Property, Plant and Equipment

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

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. 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 and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

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

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

1 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment (cont)

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

Fixed asset class	Depreciation rate
Plant and equipment	25%

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(g) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. 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 of disposal 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: *Property, Plant and Equipment*). 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 Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

(h) Financial Instruments

Initial recognition and measurement

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

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.

1 Summary of Significant Accounting Policies

(h) Financial Instruments (cont)

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 over 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 effective hedging relationships).

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 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.

Notes to the Financial Statements
For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(h) Financial Instruments (cont)

A financial asset that meets the following conditions is subsequently measured at 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.

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 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.

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 (ie 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.

1 Summary of Significant Accounting Policies

(h) Financial Instruments (cont)

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 (ie has no practical ability to make unilateral decision 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.

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 investment's 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;
- 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 general approach to impairment, as applicable under AASB 9:

General approach

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

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

1 Summary of Significant Accounting Policies

(h) Financial Instruments (cont)

- if there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non 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(h) for further discussion on the determination of impairment losses.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company 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.

(l) Provisions

Provisions are recognised when the Company 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Employee benefits

Short term employee benefits

Provision is made for the Company's obligation for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Notes to the Financial Statements
For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(m) Employee benefits (cont)

The Company's obligations for short term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long term employee benefits

Provision is made for employees' annual leave and long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long term employee benefits are presented as non current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the Company other than those that receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

Termination benefits

When applicable, the Company recognises a liability and expense for termination benefits at the earlier of: (i) the date when the Company can no longer withdraw the offer for termination benefits; and (ii) when the Company recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid.

1 Summary of Significant Accounting Policies

(n) Leases

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

This involves an assessment of whether:

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

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

Right of use asset

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

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

Lease liability

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

1 Summary of Significant Accounting Policies

(o) Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

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

Key estimates - allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent finance revenue and historical collection rates. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Notes to the Financial Statements
For the year ended 30 June 2022

	2022	2021
	$	$

2 Revenue and Other Income

	2022 $	2021 $
Finance revenue		
— Interest received	3,398,333	2,197,403
— Establishment fees	1,021,579	871,350
— Discharge fees	9,325	10,500
— Service fees	531,270	270,022
	4,960,507	3,349,275

3 Result for the Year

	2022 $	2021 $
The result for the year includes the following specific expenses:		
— Interest paid	1,870,918	2,282,608
— Salary and wages	452,385	442,750
— Superannuation contributions	54,357	40,464
— Consulting and professional fees	423,256	311,363
— Land impairment	183,993	-
— Depreciation expense	6,778	6,685

4 Income Tax Expense

	2022 $	2021 $
(a) The major components of tax expense / (benefit) comprise:		
Current tax (benefit) expense	349,305	(52,518)
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax on profit before income tax at 25% (2021: 26%)	335,562	-
Add:		
Tax effect of:		
— Non deductible expenses	8,743	-
— Over/under provision	700	
Less:		
Tax effect of:		
— Movement in deferred tax assets and liabilities	(4,300)	3,187
— Carry back refundable tax offset	-	49,331
	349,305	(52,518)
Weighted average effective tax rate	26%	30%

Notes to the Financial Statements
For the year ended 30 June 2022

5 Key Management Personnel

The totals of remuneration paid to the key management personnel during the year are as follows:

	2022 $	2021 $
Short-term employee benefits	285,354	279,970
Post-employment benefits	27,500	25,000
	312,854	304,970

6 Remuneration of Auditors

Remuneration of the auditor of the Company, William Buck, for:

	2022 $	2021 $
– auditing or reviewing the financial statements	20,720	15,010

7 Dividends

The following dividends were declared and paid:

	2022 $	2021 $
Franked redeemable preference dividend of 10 cents per share	70,000	70,000

Franked dividends declared or paid during the year were franked at the tax rate of 25%.

Franking account

	2022 $	2021 $
The franking credits available for subsequent financial years	345,001	655,882

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

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

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

8 Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank	3,157,208	15,184,985
Term deposits	976,689	-
	4,133,897	15,184,985

Notes to the Financial Statements
For the year ended 30 June 2022

	Note	2022 $	2021 $
9 Trade and Other Receivables			
CURRENT			
Trade receivables		-	16,140
Other receivables		25,270	68,583
	21	25,270	84,723
NON CURRENT			
Loan - other related party	19	21,898	21,623
Total trade and other receivables		47,168	106,346

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022 %	2021 %	2022 $	2021 $	2022 $	2021 $
Not overdue	0%	0%	25,270	84,723	-	-
0 to 3 months overdue	0%	0%	-	-	-	-
3 to 6 months overdue	0%	0%	-	-	-	-
Over 6 months overdue	0%	0%	-	-	-	-
			25,270	84,723	-	-

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

All receivables are secured by registered first mortgage over real estate assets.

Financial assets classified as loans and receivables	Note	2022 $	2021 $
Trade and other receivables			
– Current	21	25,270	84,723

All receivables are secured by registered first mortgage over real estate assets.

Notes to the Financial Statements
For the year ended 30 June 2022

		2022	2021
		$	$
10 Mortgage Assets			
Mortgage assets	21	35,549,567	20,906,254

Credit risk

The ageing of the mortgage assets and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	$	$	$	$
Not overdue	0%	0%	33,645,736	20,906,254	-	-
0 to 3 months overdue*	0%	0%	1,903,831*	-	-	-
3 to 6 months overdue	0%	0%	-	-	-	-
Over 6 months overdue	0%	0%	-	-	-	-
			35,549,567	20,906,254	-	-

* Please note this mortgage asset was discharged on the 31st August 2022 with no credit loss incurred.

	2022	2021
	$	$
11 Other Assets		
Prepayments	29,335	17,465
Accrued interest	1,113	7
	30,448	17,472

Notes to the Financial Statements
For the year ended 30 June 2022

12 Property, Plant and Equipment

	2022 $	2021 $
Freehold land		
At cost	-	598,544
Plant and equipment		
At cost	77,290	69,789
Accumulated depreciation	(42,458)	(35,680)
Total plant and equipment	34,832	34,109
Total property, plant and equipment	34,832	632,653

Movements in carrying amounts of property, plant and equipment

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

	Freehold Land $	Plant and Equipment $	Total $
Year Ended 30 June 2022			
Balance at the beginning of the year	598,544	34,109	632,653
Additions	-	7,501	7,501
Disposals	(414,551)	-	(414,551)
Impairment	(183,993)	-	(183,993)
Depreciation expense	-	(6,778)	(6,778)
Balance at the end of the year	-	34,832	34,832
Year Ended 30 June 2021			
Balance at the beginning of the year	7,500,000	36,800	7,536,800
Additions	421,315	3,994	425,309
Disposals	(7,322,771)	-	(7,322,771)
Depreciation expense	-	(6,685)	(6,685)
Balance at the end of the year	598,544	34,109	632,653

Notes to the Financial Statements
For the year ended 30 June 2022

	Note	2022 $	2021 $
13 Trade and Other Payables			
CURRENT			
Trade payables		28,127	10,615
Sundry payables and accrued expenses		230,082	400,121
		258,209	410,736

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

Financial liabilities at amortised cost classified as trade and other payables

	Note	2022 $	2021 $
Trade and other payables			
— Current	21	258,209	410,736

14 Borrowings

	Note	2022 $	2021 $
CURRENT			
Secured liabilities:			
Debentures		29,910,241	28,155,245
NON CURRENT			
Secured liabilities:			
Debentures		4,664,000	6,235,000
Total borrowings	21	34,574,241	34,390,245

Debenture schedule

The maturity profile of debentures on issue is as follows:

	Interest Rates 2022 %	Interest Rates 2021 %	2022 $	2021 $
Maturity dates				
No later than 1 month	4.8	6.1	5,000,000	5,310,000
Later than 1 month but not later than 3 months	5.3	6.4	6,220,000	4,750,000
Later than 3 months but not later than 6 months	5.0	5.8	5,516,000	6,014,867
Later than 6 months but not later than 1 year	4.9	5.1	13,174,241	12,080,378
Later than 1 year but not later than 5 years	5.5	6.0	4,664,000	6,235,000
			34,574,241	34,390,245

Turner Securities Ltd

ABN: 85 122 088 617

Notes to the Financial Statements

For the year ended 30 June 2022

	2022	2021
	$	$
15 Other Liabilities		
Interest received in advance	1,966,706	356,605

16 Tax

(a) Current tax asset

	2022	2021
GST receivable	11,266	2,152

(b) Current tax liability

	2022	2021
Income tax payable	344,305	(49,331)

	Opening Balance	Charged to Income	Closing Balance
(c) Deferred tax assets			
Provisions - employee benefits	15,080	2,396	17,476
Balance at 30 June 2021	**15,080**	**2,396**	**17,476**
Provisions - employee benefits	17,476	(1,667)	15,809
Balance at 30 June 2022	**17,476**	**(1,667)**	**15,809**
(d) Deferred tax liabilities			
Property, plant and equipment - tax allowance	10,120	(1,252)	8,868
Prepayments	4,179	362	4,541
Balance at 30 June 2021	**14,299**	**(890)**	**13,409**
Property, plant and equipment - tax allowance	8,868	(160)	8,708
Prepayments	4,541	2,793	7,334
Balance at 30 June 2022	**13,409**	**2,633**	**16,042**

	2022	2021
	$	$
17 Employee Benefits		
CURRENT		
Annual leave	20,677	13,586
Long service leave	38,475	50,700
	59,152	64,286

Notes to the Financial Statements
For the year ended 30 June 2022

18 Issued Capital

	2022 $	2021 $
Ordinary shares (213,335 shares)	213,335	213,335
Preference shares (700,000 shares)	700,000	700,000
	913,335	913,335

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

(b) Redeemable preference shares

The holders of redeemable preference share are entitled to receive dividends at the discretion of the Company directors. Redeemable preference shares do not carry the right to vote. All shares rank equally with regard to the Company's residual assets, except that holders of redeemable preference shares participate only to the extent of the fair value of the shares.

The redeemable preference shares can only be redeemed at the discretion of the Company directors.

(c) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. Throughout the year, the Company has complied with these covenants.

	Note	2022 $	2021 $
The gearing ratio are as follows:			
Borrowings	14	34,574,241	34,390,245
Trade and other payables	13	258,209	410,736
Less: Cash and cash equivalents	8	(3,157,208)	(15,184,985)
Net debt		**31,675,242**	**19,615,996**
Equity		2,604,332	1,681,388
Total capital		**34,279,574**	**21,297,384**
Gearing ratio		92.40%	92.11%

Notes to the Financial Statements
For the year ended 30 June 2022

	Note	2022 $	2021 $

19 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(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 immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Note	2022 $	2021 $
A company directed by Grant Miles provided taxation and accounting, and advisory services		106,291	99,800
A company directed by David McArdle provided advisory services		33,000	33,000
A company directed by Michael Wilkins provided advisory services		33,000	33,000

(d) Balances to related parties

	Note	2022 $	2021 $
Amount payable to:			
– Secured debentures - directors		3,975,872	3,890,009
– Secured debentures - other related party		200,000	135,817
		4,175,872	4,025,826

(e) Balances from related parties

	Note	2022 $	2021 $
NON CURRENT			
Loan - other related party	9	21,898	21,623

Notes to the Financial Statements

For the year ended 30 June 2022

20 Cash Flow Information

	Note	2022 $	2021 $
Reconciliation of cash flows from operations with profit from ordinary activities:			
Profit/(Loss) for the year		992,944	(122,376)
Non-cash flows in profit:			
– Depreciation		6,778	6,685
– Land impairment		183,993	-
Changes in assets and liabilities:			
– (Increase)/Decrease in trade and other receivables		59,178	272,080
– (Increase)/Decrease in mortgage assets		(14,643,313)	(1,012,705)
– (Increase)/Decrease in other assets		(12,976)	(2,124)
– (Increase)/Decrease in current tax assets		(9,114)	6,040
– (Increase)/Decrease in deferred tax assets		1,667	(2,396)
– Increase/(Decrease) in trade and other payables		(152,527)	251,922
– Increase/(Decrease) in income taxes payable		393,636	(128,573)
– Increase/(Decrease) in deferred tax liabilities		2,633	(890)
– Increase/(Decrease) in employee benefits		(5,134)	1,579
– Increase/(Decrease) in income in advance		1,610,101	(72,831)
Cashflow from operations		**(11,572,134)**	**(803,589)**

21 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and debentures.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 $	2021 $
Financial assets			
Cash and cash equivalents	8	3,157,208	15,184,985
Trade and other receivables	9	25,270	84,723
Mortgage assets	10	35,549,567	20,906,254
Total financial assets		**38,732,045**	**36,175,962**
Financial liabilities			
Trade and other payables	13	258,209	410,736
Borrowings	14	34,574,241	34,390,245
Total financial liabilities		**34,832,450**	**34,800,981**

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Company's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

21 Financial Risk Management (cont)

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities.

The day to day risk management is carried out by the Company's finance function under policies and objectives which have which have been approved by the Board of Directors. The Chief Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below.

Specific financial risk exposures and management

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

(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 Company and arises principally from the Company's receivables.

It is the Company's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Board of Directors, these limits are reviewed on a regular basis.

(b) Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Notes to the Financial Statements
For the year ended 30 June 2022

21 Financial Risk Management (cont)

(b) Liquidity risk (cont)

Typically, Turner Securities Ltd ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The table below reflects maturity analysis for financial assets.

	Within 1 year		Over 1 year		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Financial assets						
- cash flows realisable						
Cash and cash equivalents	3,157,208	15,184,985	-	-	3,157,208	15,184,985
Trade and other receivables	25,270	84,723	-	-	25,270	84,723
TSL loan amounts	-	-	21,898	21,623	21,898	21,623
Mortgage assets	35,549,567	20,906,254	-	-	35,549,567	20,906,254
Total anticipated inflows	**38,732,045**	**36,175,962**	**21,898**	**21,623**	**38,753,943**	**36,197,585**

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

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. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

	Within 1 year		Over 1 year		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Financial liabilities due for payment						
Borrowings	29,910,241	28,155,245	4,664,000	6,235,000	34,574,241	34,390,245
Trade and other payables	258,209	410,736	-	-	258,209	410,736
Total contractual outflows	**30,168,450**	**28,565,981**	**4,664,000**	**6,235,000**	**34,832,450**	**34,800,981**
Net inflow/(outflow) on financial instruments	**8,563,595**	**7,609,981**	**(4,642,102)**	**(6,213,377)**	**3,921,493**	**1,396,604**

The timing of expected outflows is not expected to be materially different from contracted outflows.

(c) Market risk

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.

21 Financial Risk Management (cont)

(c) Market risk (cont)

Interest rate risk is managed by maintaining a portion of borrowings at fixed interest rates. At 30 June 2022, 100% of the Company's debt is fixed rate.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 50 basis points would have increased equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Profit		Equity	
	100 basis points increase	50 basis points decrease	100 basis points increase	50 basis points decrease
2022	58,857	(26,125)	58,857	(26,125)
2021	(15,092)	10,005	(15,092)	10,005

The movements in profit and equity are due to higher/lower interest costs from future borrowings.

The net exposure at the end of the reporting period is representative of what the Company was and is expecting to be exposed to at the end of the next twelve months.

The sensitivity analysis is performed on the same basis as in 2021.

(d) Net fair values

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 values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived 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.

21 Financial Risk Management (cont)

(d) Net fair values (cont)

	Note	2022 Net Carrying Value $	2022 Net Fair Value $	2021 Net Carrying Value $	2021 Net Fair Value $
Financial assets					
Cash and cash equivalents	8	4,133,897	4,133,897	15,184,985	15,184,985
Trade and other receivables	9	25,270	25,270	84,723	84,723
Mortgage assets	10	35,549,567	35,549,567	20,906,254	20,906,254
Total financial assets		**39,708,734**	**39,708,734**	**36,175,962**	**36,175,962**
Financial liabilities					
Trade and other payables	13	258,209	258,209	410,736	410,736
Debentures	14	34,574,241	34,574,241	34,390,245	34,390,245
Total financial liabilities		**34,832,450**	**34,832,450**	**34,800,981**	**34,800,981**

22 Fair Value Measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 Unobservable inputs for the asset or liability.

The following tables provide the fair values of the Company's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2022				
Recurring fair value measurements				
Mortgage assets	-	35,549,567	-	35,549,567
30 June 2021				
Recurring fair value measurements				
Mortgage assets	-	20,906,254	-	20,906,254

22 Fair Value Measurement (cont)

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

There were no changes during the period in the valuation techniques used by the Company to determine Level 2 fair values.

Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy.

Level 2 measurements

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Company selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (ie discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

23 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

Notes to the Financial Statements
For the year ended 30 June 2022

24 Events Occurring After the Reporting Date

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

25 Company Details

The registered office and principal place of business of the Company is:
Turner Securities Ltd
Level 7
431 King William Street
Adelaide SA 5000

Turner Securities Ltd
ABN: 85 122 088 617

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 35, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, which, as stated in basis of preparation Note to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position and performance of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: .... Director: ....

Dated this 19TH day of SEPTEMBER 2022

Turner Securities Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Turner Securities Ltd. (the Company) which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

ACCOUNTANTS & ADVISORS
Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck (SA)
ABN 38 280 203 274

G.W. Martinella
Adelaide, 20th September 2022