

# **Baking Industry Group Limited**

ABN 33 146 723 319

## **Financial Statements**

For the Year Ended 31 December 2018

# Baking Industry Group Limited

ABN 33 146 723 319

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For the Year Ended 31 December 2018

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# Baking Industry Group Limited

ABN 33 146 723 319

## Directors' Report For the Year Ended 31 December 2018

The directors present their report on Baking Industry Group Limited for the financial year ended 31 December 2018.

### 1. General information

#### Directors

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

Brett Noy  
Scott Cureton  
Mark Dennion  
John Dabrowski  
Christopher Hurford  
Myles Morris

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

#### Information on current directors

Brett Noy

Qualifications	Qualified Baker / Pastry cook
Experience	Experienced business owner, extensive international competition experience and training
Special responsibilities	President & acting Treasurer

Scott Cureton

Qualifications	Qualified Baker/ Pastry Cook / Flour Miller
Experience	Sales Executive
Special responsibilities	None

Mark Dennion

Qualifications	Experienced business owner
Experience	Board of Directors since 1982
Special responsibilities	Vice President (Independent Operator)

Christopher Hurford

Qualifications	Qualified baker
Experience	Experienced business owner. International baking experience. Operations Manager.
Special responsibilities	Vice President (Plant Operators)

Myles Morris

Qualifications	Bachelor of Business (Accounting)
Experience	General Manager with experience in sales, purchasing & distribution
Special responsibilities	None

# Baking Industry Group Limited

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## Directors' Report

For the Year Ended 31 December 2018

### 1. General information

#### Information on current directors

John Dabrowski

Qualifications	Qualified baker/pastry cook (36 years)
Experience	Business owner for 25 years
Special responsibilities	None

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

#### Principal activities

The principal activity of Baking Industry Group Limited during the financial year was to provide industry leadership to develop, support and protect the principles of efficiency, quality and best practices in the Baking Industry.

During 2018, operations undertaken by the The Baking Industry Association of Queensland have been moved into Baking Industry Group Limited. No other significant changes in the nature of the Company's activity occurred during the financial year.

#### Short term objectives

The Company's short term objectives are to:

- be activity involved in apprentice training, possible expansion into other states;
- enhance the Industry Magazine which is distributed quarterly nationally;
- improve the website;
- increase NBIA brand awareness; and
- increase social media activity.

#### Long term objectives

The Company's long term objectives are to:

- foster and support the development of the baking industry including Bread Manufacturing, Pastry Cooking, Cake Production and related Products;
- support and develop implementation and continuous improvement of the industry, enhancing innovation and efficiencies;
- enhance the professionalism of the industry, and ensure training and development within the industry;
- act as a principle voice of the Industry in identifying emerging trends and strategic advice to government and the wider community;
- represent the industry and the employer in any industry matters;
- to promote and oppose legislative and other measures affecting the baking industry;
- borrow, raise, invest and/or deal with money for the purpose of the company;
- research, collect, plan, coordinate and provide input to the research and development strategies; and
- amalgamate with or enter into affiliation or alliance with, or to promote or assist in the promotion of any other association or company/firm having objectives similar to or considered members of BIG and to acquire shares and interest in/ or lend money upon debentures, or otherwise to any association, company or firm.

#### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

# Baking Industry Group Limited

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## Directors' Report

For the Year Ended 31 December 2018

### 1. General information

#### Strategy for achieving the objectives

- To become a united voice in the industry there is a need to work with likeminded associations such as the BAA, BIAAWA.
- BIG is a newly established body in the industry, it will be necessary to have an active presence at major industry trade exhibitions such as Fine Foods, Food Pro, and other major events.
- There is need to search other countries as to what the world trends are, and what trends are relevant to the baked goods market.

#### How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Attracting new members;
- Developing the skills of the youth and future of the industry;
- Lifted the profile of the association; and
- Lobbying governments in areas that affect the baked goods sector.

#### Performance measures

The following measures are used within the Company to monitor performance:

- the number of new and renewed memberships;
- entries in the various trade competitions;
- reviews of Industry Awards rates;
- outcomes of various areas that have been lobbied in government departments that affect the industry; and
- completion of apprentices to trade persons.

#### Members' guarantee

Baking Industry Group Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 for members that are corporations and \$ 1 for all other members, subject to the provisions of the company's constitution.

At 31 December 2018 the collective liability of members was \$ 375 (2017: \$ 375).

### 2. Other items

#### Future developments and results

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.

#### Meetings of directors

No meetings of directors were held during the financial year. All decisions of the board were made through circular minutes.

**Baking Industry Group Limited**

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**Directors' Report**  
**For the Year Ended 31 December 2018**

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2018 has been received and can be found on page 5 of the financial report.

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



Director: .....

Brett Noy

Dated 27/05/2019

**Baking Industry Group Limited**

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**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Baking Industry Group Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

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

**SAAS Audit Pty Ltd**



James Kenward  
Director

138 Juliette Street  
Greenslopes QLD 4120

Dated: 27/5/2019

## Baking Industry Group Limited

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue	4	62,083	14,352
Employee benefits expense		(8,152)	-
Depreciation and amortisation expense		(829)	(598)
Event expenses		(47,209)	-
Australian Baker Magazine expenses		(15,437)	-
Other expenses		(141,945)	(33,680)
<b>Loss before income tax</b>		<b>(151,489)</b>	<b>(19,926)</b>
Income tax expense		-	-
<b>Loss for the year</b>		<b>(151,489)</b>	<b>(19,926)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(151,489)</b>	<b>(19,926)</b>

The accompanying notes form part of these financial statements.



## Baking Industry Group Limited

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### Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	20,632	29,314
Trade and other receivables	6	34,432	38,916
<b>TOTAL CURRENT ASSETS</b>		<b>55,064</b>	<b>68,230</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	2,111	3,015
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,111</b>	<b>3,015</b>
<b>TOTAL ASSETS</b>		<b>57,175</b>	<b>71,245</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	253,644	113,439
Employee benefits		518	-
Other financial liabilities	9	41,768	45,072
Other liabilities	10	375	375
<b>TOTAL CURRENT LIABILITIES</b>		<b>296,305</b>	<b>158,886</b>
<b>TOTAL LIABILITIES</b>		<b>296,305</b>	<b>158,886</b>
<b>NET LIABILITIES</b>		<b>(239,130)</b>	<b>(87,641)</b>
<b>EQUITY</b>			
Retained earnings		(239,130)	(87,641)
<b>TOTAL EQUITY</b>		<b>(239,130)</b>	<b>(87,641)</b>

The accompanying notes form part of these financial statements.

**Baking Industry Group Limited**

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**Statement of Changes in Equity**  
**For the Year Ended 31 December 2018**

2018

	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 January 2018</b>	(87,641)	(87,641)
Loss for the year	(151,489)	(151,489)
<b>Balance at 31 December 2018</b>	<u>(239,130)</u>	<u>(239,130)</u>

2017

	<b>Retained Earnings</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 January 2017</b>	(67,715)	(67,715)
Loss for the year	(19,926)	(19,926)
<b>Balance at 31 December 2017</b>	<u>(87,641)</u>	<u>(87,641)</u>

The accompanying notes form part of these financial statements.

# Baking Industry Group Limited

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## Statement of Cash Flows For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	70,180	45,061
Payments to suppliers and employees	<u>(203,246)</u>	<u>(35,211)</u>
Net cash provided by/(used in) operating activities	14 <u>(133,066)</u>	9,850
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(3,613)
Loans to related parties - proceeds from repayments	<u>2,302</u>	<u>1,487</u>
Net cash used by investing activities	<u>2,302</u>	<u>(2,126)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from related parties payables	122,082	22,866
Repayment of other borrowings	<u>-</u>	<u>(1,634)</u>
Net cash used by financing activities	<u>122,082</u>	<u>21,232</u>
Net increase/(decrease) in cash and cash equivalents held	(8,682)	28,956
Cash and cash equivalents at beginning of year	<u>29,314</u>	<u>358</u>
Cash and cash equivalents at end of financial year	5 <u><u>20,632</u></u>	<u><u>29,314</u></u>

The accompanying notes form part of these financial statements.

## **Baking Industry Group Limited**

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

#### **For the Year Ended 31 December 2018**

The financial report covers Baking Industry Group Limited as an individual entity. Baking Industry Group Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Baking Industry Group Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

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

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

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue recognition**

Revenue is recognised as follows:

##### **Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

##### **Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

##### **Other income**

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

##### **(b) Income Tax**

Only non-member income of the association is only assessable for tax, as members income is executed under the principle of mutuality.

##### **(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).

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **2 Summary of Significant Accounting Policies**

#### **(c) Goods and services tax (GST)**

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(d) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

##### *Financial liabilities*

The Company's financial liabilities include borrowings and trade and other payables, which are measured at amortised cost using the effective interest rate method.

#### **(e) 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.

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

The Company has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

#### **(g) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards, the Directors believe that there will be no material impact on reported results or the financial position of the Company as a result of these Standards.

## Baking Industry Group Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

##### Key estimates - receivables

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

#### 4 Revenue and Other Income

	2018	2017
	\$	\$
Sales revenue		
- member subscriptions	37,231	13,053
- provision of services	301	1,294
	<u>37,532</u>	<u>14,347</u>
Other revenue		
- Events income	11,536	-
- Australian Bake Magazine income	10,354	-
- Other trading revenue	2,661	5
	<u>24,551</u>	<u>5</u>
<b>Total Revenue</b>	<u><u>62,083</u></u>	<u><u>14,352</u></u>
<b>5 Cash and Cash Equivalents</b>		
Cash at bank and in hand	<u>20,632</u>	29,314
	<u><u>20,632</u></u>	<u>29,314</u>

## Baking Industry Group Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 6 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	16,755	21,450
Provision for impairment	(5,000)	(5,000)
	<u>11,755</u>	<u>16,450</u>
Prepayments	2,454	361
Related party receivables	19,803	22,105
Other receivables	420	-
	<u>34,432</u>	<u>38,916</u>
<b>Total current trade and other receivables</b>	<b>34,432</b>	<b>38,916</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 7 Plant and equipment

PLANT AND EQUIPMENT		
Office equipment		
At cost	3,613	3,613
Accumulated depreciation	(1,502)	(598)
	<u>2,111</u>	<u>3,015</u>
Total office equipment	<u>2,111</u>	<u>3,015</u>
<b>Total plant and equipment</b>	<b>2,111</b>	<b>3,015</b>

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

	Office Equipment	Total
	\$	\$
<b>Year ended 31 December 2018</b>		
Balance at the beginning of year	3,015	3,015
Depreciation expense	(904)	(904)
	<u>2,111</u>	<u>2,111</u>
<b>Balance at the end of the year</b>	<b>2,111</b>	<b>2,111</b>

## Baking Industry Group Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 8 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Trade payables	2,398	-
GST payable	-	3,152
Sundry payables and accrued expenses	17,649	-
Related party payables	232,369	110,287
Other payables	1,228	-
	<u>253,644</u>	<u>113,439</u>

The carrying amounts are considered to be a reasonable approximation of fair value.

#### 9 Other Financial Liabilities

##### CURRENT

Deferred income	41,768	45,072
<b>Total</b>	<u>41,768</u>	<u>45,072</u>

#### 10 Other Liabilities

##### CURRENT

Other liability - members equity	375	375
	<u>375</u>	<u>375</u>

#### 11 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 31 December 2018 the number of members was 137 (2017: 32).

#### 12 Auditors' Remuneration

Remuneration of the auditor,  
SAAS Audit Pty Ltd, for:

- auditing or reviewing the  
financial statements

	<u>4,000</u>	<u>2,250</u>
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#### 13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2018 (31 December 2017:None).



## Baking Industry Group Limited

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### Notes to the Financial Statements

For the Year Ended 31 December 2018

#### 14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2018	2017
	\$	\$
Loss for the year	(151,489)	(19,926)
Non-cash flows in profit:		
- depreciation	904	598
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	4,650	(15,040)
- (increase)/decrease in other assets	(2,093)	1,072
- increase/(decrease) in income in advance	(3,304)	40,289
- increase/(decrease) in trade and other payables	17,748	2,857
- increase/(decrease) in employee benefits	518	-
Cashflows from operations	<u>(133,066)</u>	<u>9,850</u>

(b) Changes in liabilities arising from financing activities

	2017	Cash flows	2018
	\$	\$	\$
Related party payables	110,287	122,082	232,369
<b>Total liabilities from financing activities</b>	<b>110,287</b>	<b>122,082</b>	<b>232,369</b>

  

	2016	Cash flows	2017
	\$	\$	\$
Related party payables	87,421	22,866	110,287
<b>Total liabilities from financing activities</b>	<b>87,421</b>	<b>22,866</b>	<b>110,287</b>

#### 15 Going concern

Notwithstanding the Company's deficiency in net assets, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from Baking Industry Association of Queensland (BIAQ) to allow the Company to meet its liabilities and it is the belief of the directors that such financial support will continue to be made available from BIAQ for the foreseeable future.

## **Baking Industry Group Limited**

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### **Notes to the Financial Statements For the Year Ended 31 December 2018**

#### **16 Statutory Information**

The registered office of the company is:

Baking Industry Group Limited  
c/o Southern Cross Accounting  
H25 Cineplex Building  
Level 1, 7 High Street  
Victoria Point QLD 4165

The principal place of business is:

Unit 5, 54 Riverside Place  
Morningside QLD 4170

## Baking Industry Group Limited

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### Directors' Declaration

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

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 16, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



Director .....

Brett Noy

Dated 27/05/2019

## Baking Industry Group Limited

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# Independent Auditor's Report to the members of Baking Industry Group Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Baking Industry Group Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other 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 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 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Emphasis of Matter - Going Concern

Without modifying our opinion, we draw attention to Note 15 of the financial report, which indicates that the Company had net liabilities at the year end and is dependent on the support of Baking Industry Association of Queensland. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Baking Industry Group Limited

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# Independent Auditor's Report to the members of Baking Industry Group Limited

### Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors report, (but does not include the financial report and our auditor's report thereon).

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

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 on the other information obtained prior to the date of this auditor's report, 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 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

### SAAS Audit Pty Ltd



James Kenward  
Director

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Dated: 28/5/2019