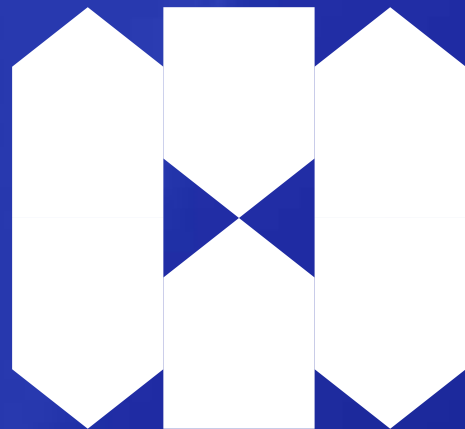


MACARTHUR NATIONAL LTD

Interim Financial Report





Macarthur National Ltd
ABN: 77 633 180 346

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Directors' Report

Section

01

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or Macarthur) consisting of Macarthur National Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Change in Direction

The new Board has decided to fast track a strategic change in direction as part of a concerted plan to build out the assets of the Company which the Directors believe will drive a future increase in value for shareholders. This plan with a dual focus, will see significant new investment in two distinct market sectors, namely, Childcare and Early Learning and Retirement Lifestyle Living. Although these sectors are at opposite ends of the normal age lifecycle; they dovetail with the Company's desire to develop its profile and identify within the rapidly developing social infrastructure asset class.

While acknowledging each sector is a mature market, Macarthur has embraced two areas of innovation that will enable the Company to offer something different and deliver key attributes that provide ready distinction. By creating identifiable individual brands within markets, we remove ourselves from the clutter of established direct competition. This strategy facilitates easier promotion and market penetration and ultimately greater financial performance.

The first part of this planned differentiation in the Early Learning Education and Childcare sector is a commitment to the intelligent learning concept developed by Montessori Beginnings. Macarthur intends to build its exposure in the Early Learning Education and Childcare sector, promoting the unique Montessori Beginnings brand as both a business operator and as a facility property owner utilizing a develop, own, manage model.

Early Learning Education and Childcare - Montessori Beginnings

- Montessori Beginnings was established in 2018 in Melbourne Australia, to satisfy its core belief of combining vision and substance to provide an enhanced early learning experience for young children in a long day care setting.
- This ideal has now become the charter and mission of Montessori Beginnings to provide services and facilities that inspire children at an early age.
- The Montessori ethos or philosophy will provide distinct choice for parents seeking a different offering in a space often considered mundane or viewed simply as paid child minding.

The Company will own both long day early learning businesses and properties which provide education and care programs for children between the ages of 6 weeks and 6 years. The services provided by early learning centres are designed to help families and employers better address the challenges of family life and work.

To this end Macarthur’s Shareholders approved the purchase of childcare assets owned by Montessori Beginnings in March 2021 which have been incubating or nurtured elsewhere under different ownership. The completion of the purchase of these assets will take place progressively through to mid-2021. Refer to the Significant Events after Balance Date commentary and the accounts for further details.

The second component of this dual strategy now adopted by the Board will be direct participation in

Retirement Living opportunities and specifically in the following sector.

Land Lease Communities – Zest Living

Recent innovation in the continuously expanding Retirement Living market has centred on a growing need to service a band of people either semi-retired or retired, often city dwellers, wishing to downsize or often needing to liberate equity and stored wealth in their current home. Although Land Lease offerings are popular overseas the sector is relatively young in Australia and expected to grow.

Normally buying a residential dwelling involves the purchase of both the house and the land the dwelling occupies. Often the value of the land can be up to half or substantially more of the total asset depending on location. Under the Land Lease Model home and land ownership is separated. Homeowners buy a house at an affordable price and lease the underlying land from Macarthur for an annual fee which gives the homeowners long tenure with the exclusive right to occupy the land and access the estates community facilities. There is no entry or exit fees and homeowners are solely entitled to all and any capital gain when they sell their home which they are free to do at any time. The advantage to homeowners is two-fold; the first is the cash saving, as the annual rent is a fraction of the cost of purchasing any similar land on which to build a home, with the land savings

providing people with the necessary money to live an enhanced and independent lifestyle. In addition the land lease community living offers community living benefits not normally attainable, including gated security, broad companionship, access to recreational facilities all contained in an attractive regional environment. The nature of the long term Lease in Lifestyle Community living provides ample protection and flexibility for homeowners in the event of death or changed circumstances and steady long term income for Macarthur as the estate developer and principal land-owning entity.

Without such opportunities soon to be offered by Macarthur, many retirees will remain asset rich and income poor, thereby compromising life enjoyment in their later years.



This segment is expected to grow quickly in the decades to come particularly post COVID-19 as evidenced by the increase in internal migration from the cities to country areas. Macarthur intends to focus development in attractive country locations and rural communities where additional resort style amenities can be incorporated alongside housing.

To enter the Land Lease Community sector Macarthur’s Shareholders approved the purchase of Zest Living in March 2021. During the present financial year Macarthur intends complete the acquisition of Zest Living which owns a Land Lease Community project at Yarrowonga, Victoria that Zest is developing. Refer to the Significant Events after Balance Date commentary and the accounts for further details.

Early entry to the social infrastructure sector

Investment by Macarthur in the aforementioned assets that the Company has either contracted to purchase or is in discussions to acquire will mark the entry of Macarthur into the social infrastructure sector as it is now termed. Upon establishing itself in the social infrastructure sector Macarthur's strategy will be to build a portfolio of Company owned early learning businesses and properties and extend participation in the sector to the opposite end of the age spectrum by developing and managing land lease communities. The investment philosophy is simple, both sectors need specialised offerings.

Expansion and funding

The Directors plan for Macarthur as outlined above is expected to result in the realisation of its existing sole property related investment, Mitre Focus, and complete the acquisition of social infrastructure assets. To finance the acquisition of these assets the Company plans to raise capital via an entitlement offer to shareholders combined with an offer to new shareholders and borrowings. The Company intends to undertake the equity raising via a Prospectus Offer in the 2nd quarter 2021 to shareholders which will comprise three (3) components:

- 1) A pro-rata rights issue to Shareholders;
- 2) A Top-Up Offer to Shareholders who hold a parcel of Shares with a value of less than \$5,000; and
- 3) Issuance of shares to the vendors of the assets being acquired.

Dividends

No dividend was declared or paid during the financial period.

Review of Operations

The Directors plan for consolidated entity is to expand its operations from a single property related investment at balance date and complete the acquisition of social infrastructure properties in 2021. To finance the acquisition of these properties the Company plans to raise capital via the issue of new shares and borrowings.

Financial position

During the half year ended 31 December 2020, the consolidated entity received \$80,284 cash distributions from its Mitre Focus investment. The consolidated entity's net assets at 31 December 2020 of \$549,859 (30 June 2020 - \$1,099,959) was mainly derived from an investment in and loan to Mitre Focus. The decrease in net assets in the 6 months to 31 December 2020 was primarily from costs incurred in relation to the planned acquisition of the assets referred to under the heading below, Significant Events after Balance Date.

Significant Changes in Affairs

There was no significant change in affairs during the half year ended 31 December 2020 or at the date of this financial report other than that referred to in the Directors' Report and the financial statements and notes thereto.

Capital Structure

There was no change in the capital structure during the half year ended 31 December 2020. In March 2021 the Company issued 25,000 new shares at \$0.20 per share to fund the acquisition of Montessori Beginnings Pty Ltd.

Directors

The directors of the Company in office during the financial period and until the date of this report are shown below.

Henry Townsing
Dr. Les Fitzgerald
Dennis Wilkie

Principal Activities

Investment primarily in social infrastructure property and the operating businesses that operate from properties owned by the Company.

Likely Developments and Expected Results of Operations

The strategy for the future operations and principal activities of the consolidated entity is to invest in social infrastructure property and in the operating businesses that operate from those properties owned by the consolidated entity.

Significant Events after Balance Date

Settlement of the Swan Hill early learning centre took place on 29 January 2021.

On 9 March 2021, a General Meeting of the Company was held. At the General Meeting Shareholders approved to undertake a series of acquisitions (including Montessori Beginnings and Zest Living) which meet Macarthur's central objective to build a portfolio of social infrastructure assets that provide a pathway to an ASX listing. In conjunction with the acquisitions, Macarthur also obtained Shareholder approval to undertake a capital raising to fund further investment and working capital.

In March 2021, the Company completed the acquisition of Montessori Beginnings Pty Ltd.

No other matter or circumstance has arisen since 31 December 2020 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.

Rounding of amounts

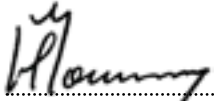
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out within this report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Director.



Henry Townsing
Director

Dated: 1 April 2021



2020 Financial Report

Section

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Macarthur National Limited and its controlled entities for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Australian professional accounting bodies* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

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RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'BY CHAN'.

B Y CHAN
Partner

Dated: 13 April 2021
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2020

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
Continuing Operations			
Other Income	3(a)	3,701	16,908
Expenses			
Administrative expenses	3(b)	(204,250)	(37,197)
Impairment of investment in associate	6	(349,551)	-
Interest expense		-	(234)
Net loss attributable to owners		(550,100)	(20,523)
Income tax expense		-	-
Loss after income tax expense		(550,100)	(20,523)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(550,100)	(20,523)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	31 Dec 2020 \$	30 Jun 2019 \$
Assets			
Current Assets			
Cash and cash equivalents		84,189	96,238
Receivables	4	16,373	17,271
Deposit	5	50,000	-
Total Current Assets		150,562	113,509
1,056,240			
Non-current Assets			
Investment in associate	6	630,000	1,056,240
Other assets	7	1,750	1,750
Total Non-Current Assets		631,750	1,057,990
TOTAL ASSETS		782,312	1,171,499
Liabilities			
Current Liabilities			
Payables	8	182,454	71,540
Interest bearing loan	9	50,000	-
Total Current Liabilities		232,454	71,540
Total Liabilities		232,454	71,540
NET ASSETS		549,859	1,099,959
Equity			
Issued capital	10	1,264,057	1,264,057
Retained earnings		(714,198)	(164,098)
TOTAL EQUITY		549,859	1,099,959

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cashflows

For the half year ended 31 December 2020

	Notes	31 Dec 2020 \$	30 June 2020 \$
Cash flows from operating activities			
Receipts in the course of operations		105	-
Payments in the course of operations		(92,438)	(129,644)
Net cash outflows from operating activities		(92,333)	(129,644)
Cash flows from investing activities			
Recoupment of investment		80,284	227,632
Deposit paid		(50,000)	-
Net cash flows from investing activities		30,284	225,882
Cash flows from financing activities			
Drawdown of interest-bearing loan		50,000	10,000
Payment of interest-bearing loan		-	(10,000)
Net cash flows from financing activities		50,000	-
Net (decrease)/increase in cash and cash equivalents		(12,049)	96,238
Cash and cash equivalents at the start of the period		96,238	-
Cash and cash equivalents at the end of the period		84,189	96,238

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2020

	Issued Shares \$	Retained Earnings \$	Total \$
As at 30 June 2020	1,264,057	(164,098)	1,099,959
Comprehensive income			
Loss for the period		(550,100)	(550,100)
Total loss for the year		(550,100)	(550,100)
Balance at 31 December 2020	1,264,057	(714,198)	549,859
As at 31 December 2019	1,264,057	(73,828)	1,190,229
Comprehensive income			
Loss for the period		(90,270)	(90,270)
Total loss for the year		(90,270)	(90,270)
Transactions with owners, in their capacity as owners			
Total translations with owners	-	-	-
Total translations with owners	-	-	-
Balance at 30 June 2020	1,264,057	(164,098)	1,099,959

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements



Notes to the Financial Statements

Section

03

For the half year ended 31 December 2020

1. Corporate Information

The financial statements cover Macarthur National Limited as a consolidated entity consisting of Macarthur National Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Macarthur National Limited's functional and presentation currency.

The Company is a for-profit entity, limited by shares, incorporated and domiciled in Australia.

The strategy for the future operations and principal activities of the Company is to invest in social infrastructure property and in the operating businesses that operate from those properties owned by the Company.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 April 2021.

2. Summary of Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

3. Application of new and revised Accounting Standards New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

For the half year ended 31 December 2020

3. Revenue and Expenses

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
a) Revenue			
Other Income		3,701	16,908
		3,701	16,908
b) Administrative Expenses			
Audit and tax fees		4,135	1,500
Management fee	(i)	30,000	30,360
Statutory expenses		23,365	4,229
Capital raising expenses	(ii)	143,663	-
Others		3,087	1,108
		204,250	37,197

(i) The Consolidated entity entered into a Services Agreement with CVCV Venture Managers Pty Ltd which provides the Consolidated entity with administration, compliance and such other services as reasonably requested from time to time, for a quarterly fee of \$15,000. The amount \$30,000 represents the fee from the period 1 July 2020 to 31 December 2020.

(ii) The Consolidated entity is undertaking a capital raising exercise to raise in aggregate up to \$13,715,000, comprised of a rights issue offer, top up offer for shareholders holding less than \$5,000 of shares and a placement offer. The expenses incidental to the aforesaid exercise incurred to-date is in relation to consultancy, valuation and reporting accountants' fees.

4. Other Receivables

	Notes	31 Dec 2020	30 June 2020
Current			
GST Receivable		16,373	17,271
		16,373	17,271

5. Deposit

	Notes	31 Dec 2020	30 Jun 2020
Current			
Deposit	(i)	50,000	-
		50,000	-

(i) Clifstone Pty Ltd acts as the trustee for MNL Property Trust (Clifstone) and is a wholly owned subsidiary of the Company. Clifstone was incorporated on 22 October 2020 and has an issued share capital of \$1.00. Clifstone entered into an off-the-plan contract of sale and paid a deposit of \$50,000, whereby it will acquire the land and buildings which are intended to be developed as an early learning centre located at 100 Beveridge Street, Swan Hill VIC 3585. Settlement occurred in January 2021 in accordance with the terms of the contract of sale.

For the half year ended 31 December 2020

6. Investment in associate

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
Non-current			
Investment in associate Mitre Focus Sdn Bhd – at cost		1,264,035	1,264,035
Recoupment of investment		(307,824)	(227,539)
Share of profit - associates		23,340	19,744
Impairment of investment		(349,551)	-
		630,000	1,056,240

	Notes	Interest in Mitre Focus As at 31 Dec 2020 \$	Mitre Focus – 100% As at 31 Dec 2020 \$
Current assets		298,819	4,743,156
Non-current assets		34,386	545,812
Total Assets		333,205	5,288,968
Current liabilities		(147,337)	(2,338,678)
Non-current liabilities		(5)	(79)
Total Liabilities		(147,342)	(2,338,757)
Net Assets		185,863	2,950,211

	Notes	Period to 31 Dec 2020 \$	Period to 31 Dec 2020 \$
Net profit/(loss)		5,041	80,011

For the half year ended 31 December 2020

7. Other Assets

	Notes	31 Dec 2020	30 Jun 2020
Non-current			
Capitalised investment costs		1,750	1,750
		1,750	1,750

(i) Clifstone Pty Ltd acts as the trustee for MNL Property Trust (Clifstone) and is a wholly owned subsidiary of the Company. Clifstone was incorporated on 22 October 2020 and has an issued share capital of \$1.00.

Clifstone has entered into Contracts of Sale to purchase the following social infrastructure properties;

- a) Swan Hill early learning centre: Clifstone has entered into a contract of sale and paid a deposit of \$50,000, whereby it will acquire the land and buildings which are intended to be developed as an early learning centre located at 100 Beveridge Street, Swan Hill VIC 3585. Settlement occurred in January 2021;
- b) Greenvale early learning centre: Clifstone has entered into an off-the-plan contract of sale, whereby it will acquire the land and buildings which are licensed for a 100-place early learning centre located at 985C Mickleham Road, Greenvale VIC 3059. Construction of the building was completed in November 2020 and the tenant took occupation of the property;
- c) Malvern early learning centre: Clifstone has entered into an off-the-plan contract of sale, whereby it will acquire the land and buildings which are licensed for a 58-place early learning centre located at Lot 1, 14-18 Spring Road, Malvern VIC 3144. . Construction of the building was completed in November 2020 and the tenant took occupation of the property;
- d) Head office: Clifstone has entered into a contract of sale, whereby it will acquire the properties known as "G2", "G3" 68-70 Dorcas Street, South Melbourne VIC 3205 and the associated carparks.

The capitalised costs are in relation to the valuation fees associated with the aforementioned head office property.

8. Payables

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
Non-current			
Payables		162,504	66,040
Accrued Expenses		19,950	5,500
		182,454	71,540

9. Interest-bearing loan

	Notes	31 Dec 2020 \$	30 Jun 2020 \$
Non-current			
Loan from Mobe Growth Pty Ltd	(i)	50,000	-
		50,000	-

(i) Mobe Growth Pty Ltd (MG) agreed to advance Clifstone a loan which has been drawn to fund the purchase of the Swan Hill early learning centre property. The \$50,000 represents the deposit for the aforesaid property purchase. Subsequent to the half year ended 31 December 2020, a further amount of \$571,000 was drawn to fund the settlement for the Swan Hill Property and working capital purposes.

The Swan Hill Loan amounting to \$750,000:

- a) will incur interest at the rate of 8% per annum;
- b) will be unsecured; and
- c) must be repaid on acquisition of MG by Macarthur or its subsidiary.

For the half year ended 31 December 2020

10. Issued Capital

	31 Dec 2020 No of Shares	31 Dec 2020 \$	30 Jun 2020 No of Shares	30 Jun 2020 \$
Ordinary shares – fully paid	5,384,393	1,264,057	5,384,393	1,264,057

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

11. Related party disclosures

(a) Controlled entities

The consolidated financial statements incorporate assets, liabilities and results of the following controlled entities.

	Notes	Place of Incorporation	2020 %
Parent entity			
Macarthur National Limited		Australia	
Controlled entities			
Clifstone Pty Ltd as trustee for MNL Property Trust		Australia	100%

(b) Transaction with related parties

The following transactions occurred with related parties:

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
Payment for services			
CVCV Venture Managers Pty Ltd (CVCV)	(i)	30,000	30,000
Vita Life Sciences Limited		–	234
Current payables			
CVCV	(i)	49,500	–
Interest bearing loan			
Mobe Growth Pty Ltd (MG)	(ii)	50,000	

(i) CVCV is a related party to the Consolidated entity as there are common directors and CVCV directors and executives have indirect ownership interests in the Consolidated entity. Under the Services Agreement, CVCV will provide the Consolidated entity with administration, compliance and such other services as reasonably requested from time to time, for a quarterly fee of \$15,000 plus GST.

(ii) MG is a related party to the Consolidated entity as there are common directors and MG directors and executives are related to the directors of the Consolidated entity and also have indirect ownership interests in the Consolidated entity. MG has agreed to provide Clifstone with a \$750,000 loan facility. The \$50,000 was drawn at 31 December 2020 and a further amount of \$571,000 was drawn in the period from January 2021 to the date of this report.

12. Commitments and Contingencies

The entity had no contingent assets or liabilities as at 31 December 2020.

Settlement of the purchase of the Swan Hill early learning centre by subsidiary, Clifstone, occurred in January 2021.

Contracted but not paid

The Company obtained shareholder approval on 9 March 2021 to purchase the Greenvale early learning centre, Malvern early learning centre and the Southbank property for a Head Office for a cumulative contract price total of \$11.6 million. Completion of these purchases is now subject to capital raising, with settlement expected to take place in mid-2021.

13. Significant Events after Balance Date

Settlement of the Swan Hill early learning centre took place on 29 January 2021.

On 9 March 2021, a General Meeting of the Company was held. At the General Meeting Shareholders approved to undertake a series of acquisitions which meet Macarthur's central objective to build a portfolio of social infrastructure assets that provide a pathway to an ASX listing. In conjunction with the acquisitions Macarthur also obtained Shareholder approval to undertake a capital raising to fund further investment and working capital.

In March 2021, the Company completed the acquisition of Montessori Beginnings Pty Ltd.

No other matter or circumstance has arisen since 31 December 2020 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' Declaration

Section

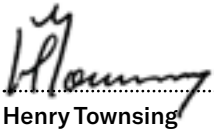
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Directors' Declaration

In the directors' opinion:

- The attached financial statements and notes comply with the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements, as detailed in note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial half year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Henry Townsing

Director

Dated: 1 April 2021

Independent Auditor's Report

Section

05

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Macarthur National Limited

We have reviewed the accompanying half-year financial report of Macarthur National Limited ("the company") and its Controlled Entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end of from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Macarthur National Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Australian professional accounting bodies*. We confirm that the independence declaration which has been given to the directors of Macarthur National Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Macarthur National Limited is not in accordance with the *Australian Accounting Standards* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'BY CHAN'.

B Y CHAN
Partner

Dated: 14 April 2021
Melbourne, Victoria

To the Members of Macarthur National Ltd

Report on the Half year Financial Report

We have reviewed the financial report of Macarthur National Limited (“the Company”), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

Directors’ Responsibility for the Half year Financial Report

The directors of the company are responsible for the preparation of the half year 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 half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity’s financial position as at 31 December 2020 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Macarthur National Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Macarthur National Limited, would be in the same terms if given to the directors as at the time of this auditor’s report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Macarthur National Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity’s financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Melbourne, Victoria
XX March 2021

Corporate Directory

Section

06

Board of Directors**Henry Townsing**

Chairman

Non-Executive Director

Dr Les Fitzgerald

Non-Executive Director

Dennis Wilkie

Non-Executive Director

Company Secretary

Richard Barton

Registered Office68 Dorcas Street,
Southbank

VIC 3006

T: 61 3 9828 0500

E: general@macarthurnational.com.au**Auditor**

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K&L Gates

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Melbourne

VIC 3000

Share Registry

Registry Direct Limited

PO Box 18366

Collins Street East

Melbourne VIC 8003:

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T: +61 3 9909 9909 (outside of Australia)

F: +61 3 9111 5652

Change of Address

Shareholders who have changed address should advise our registry by logging in to their Shareholder account at <https://www.registrydirect.com.au/login/>

Correspondence mailing

Shareholders who prefer to receive correspondence electronically should advise our registry by logging in to their Shareholder account at <https://www.registrydirect.com.au/login/>





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