



# **ENNOX GROUP LTD**

**ACN 108 069 003**

**2021**

**ANNUAL REPORT**

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

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**ENNOX GROUP LTD**  
**ACN 108 069 003**

**Directors' Report**

Your directors present their report on the Group, being Ennox Group Ltd (the "Company"), and its controlled entities (collectively, the "Group") for the financial year ended 30 June 2021.

**Directors**

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

- Yit Yang Yee
- Damion Ryan (appointed 1 October 2020)
- Kurt Lehndorf (appointed 1 December 2020)
- Chee Cheong (David) Low (resigned 12 April 2021)
- Charles Mac (resigned 1 December 2020)

**Company Secretaries**

- Damion Ryan (appointed 18 January 2021)
- Chee Cheong (David) Low (appointed 12 April 2021)
- Ian Gregory (resigned 18 January 2021)

**Principal activities**

The principal activities of the Group during the financial year were those of corporate advisory, stockbroking and investment activities.

**Review of Operations and Financial Results**

The Board of Ennox Group Ltd reports a Loss Before Interest, Tax, Amortisation and Depreciation of \$7,772,650 and a loss after tax of \$6,324,095 for the year ended 30 June 2021. This result was mainly due to unrealised loss on revaluation of \$7,257,219 arising from the sudden sharp decline in the value of its portfolio of investments to \$1,737,940 as at 30 June 2021 (2020: \$8,970,308). Revenue was also slightly higher at \$80,860 compared to prior year of \$73,693 due to higher stockbroking income. The Company managed to liquidate \$824,063 of investments which resulted in realised net loss of \$12,179 during the year. Operating expenses excluding interest were higher at \$592,740 in 2021 compared to \$338,776 in 2020 due to additional financial services and investment expenses, fees and salaries.

The COVID-19 has affected the corporate advisory business, especially the cross-border opportunities due to both inter-state and overseas travel restrictions which limits marketing and serviceability of clients. The Company has since diversified into stockbroking with the acquisition of Ennox Securities Pty Ltd which is based in Sydney. The Company's portfolio of investments during the year included those in the food and beverage industry, property development and automotive distribution. COVID-19 had affected the business operations of some of these investments. The Company will continue to monitor the progress of its portfolio of investment.

**Dividends Paid or Recommended**

No dividend has been paid or declared since the end of the financial year.

**Financial Position**

Net assets of the Group are \$2,284,799 as at 30 June 2021 compared to \$8,608,894 at 30 June 2020.

## **Directors' Report**

### **Future Developments, Prospects and Business Strategies**

During the year, the Company has secured the approval of the ASIC to vary some of the Australian Financial Services Licence (AFSL: 348530) authorisations of Ennox Securities Pty Ltd. This AFSL which now carries authorities for retail clients has enabled the Group to shift its approach in providing financial services and to scale up its business operations and widen its appeal to a retail audience.

During the year, the Company had also explored several opportunities amongst the Financial Services industry for a potential purchase of, or investment in a company that would be of good fit and nature for the Company. However with inflated valuations and the reluctance of vendors to engage to seek common ground has evolved in a difficult time looking for an opportunity in that space.

Therefore, the Company intends to grow organically, by expanding its existing operations to fully focus on investment activities. It has submitted a Preliminary Consultation Paper to seek the views of the ASX for the conversion of the Company into a Listed Investment Company with the view of relisting of its shares on the ASX. It is currently awaiting feedback from the ASX.

### **Significant Changes In The State of Affairs**

During the year, the newly acquired wholly-owned subsidiary, Norris Smith Securities Pty Ltd changed its name to Ennox Securities Pty Ltd to be consistent with the Group's corporate image. Other than the foregoing and the sharp decline in the value of its investments and the proposed change in business operations as stated in this financial report, there are no other significant changes in the state of affairs of the Company.

### **Events Subsequent to Balance Date**

There has been no significant event or transaction post balance date relevant for reporting in these financial statements.

### **Environmental Legislation**

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

### **Information on Directors**

#### **Yit Yang Yee – Independent Non-Executive Chairman**

Appointed: 15 July 2016

Mr Yee began his career with Deloitte Malaysia upon his graduation from LaTrobe University with a Bachelor of Economics. He subsequently joined the corporate finance division of an investment bank in Malaysia whereby he was involved in various assignments, such as IPO, regional mergers and acquisitions as well as fund raising for both listed and non-listed companies.

Currently, Mr Yee sits on four public listed companies in Malaysia as an independent and non-executive director. Yit is a member of the Australian CPA and Malaysia Institute of Accountants

#### *Other Current Directorships in Australia*

Nil

#### *Former Directorships in the Last Three Years*

Nil

## **Directors' Report**

### **Information on Directors (Cont'd)**

#### **Damion Ryan – Managing Director**

Appointed: 1 October 2020

Mr Ryan has more than 20 years of experience in the financial services industry, most recently as Operations Manager of Finexia Financial Group Limited's day to day trading operations based on the Gold Coast and Sydney.

He commenced in the financial industry in 1996 as a SEATS operator with CommSec. Since then, he has held numerous roles on Retail and Institutional dealing desks from CSFB to CMC Markets Stockbroking and Finexia Financial Group Limited. Mr Ryan was Managing Director at CMC Markets Stockbroking for seven years, prior to which he had been General Manager.

#### *Other Current Directorships in Australia*

Nil

#### *Former Directorships in the Last Three Years*

Finexia Financial Group Limited (15 June 2018 – 1 October 2020)

#### **Kurt Lehndorf - Non-Executive Director**

Appointed: 1 December 2020

Mr Lehndorf has more than 15 years' experience in the aged care and medical devices industries having graduated from the Waikato University of New Zealand with a Bachelor of Social Science (Psychology) and Bachelor of Sport Science. He also has a Post Graduate Diploma in Sport Science.

Mr Lehndorf is currently a director of Connected Resources, which provides recruitment services to the Aged Care Sector. Prior to that, he was the National Sales Manager for HealthX.

#### *Other Current Directorships in Australia*

Nil

#### *Former Directorships in the Last Three Years*

Nil

### **Information on Company Secretaries**

#### **Damion Ryan**

Appointed: 18 January 2021

Refer above profile

#### **Chee Cheong (David) Low**

Appointed: 12 April 2021

Mr David Low is a CPA and graduated from the University of Sydney with a Bachelor of Economics (Accounting). He has more than 20 years of investment banking and corporate advisory experience in Asia and Australia having advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring. He was previously attached with an investment bank and several boutique corporate advisory houses as well as Senior Manager of the Asian Banking division of Westpac Banking Corporation, whereby he was responsible for business development in the Asian market in Melbourne and Sydney.

## **Directors' Report**

[Ian Gregory](#)

Resigned: 18 January 2021

Ian Gregory (B.Bus, FGIA, FCIS, F Fin, MAICD) has over 30 years' experience in the provision of company secretarial and business administration services to listed and unlisted companies. Companies for which Ian has acted as Company Secretary include Iluka Resources Limited, IBJ Australia Bank Limited and the Griffin Coal Mining Group of companies. He currently consults on secretarial matters to a number of listed and unlisted companies. Ian is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

### **Remuneration Report (Audited)**

This report details the nature and amount of remuneration for each key management person of Ennox Group Ltd. AASB 124 Related Party Disclosures defines key management personnel as "persons having authority and responsibility for the planning, directing and controlling activities of the entity, directly or indirectly". The only persons that have this authority are the Directors of Ennox Group Ltd.

### **Remuneration Policy**

The board policy is to remunerate directors at market rates for time, commitment, experience and responsibilities. Due to the small size of the Group there is no separate remuneration committee, with these functions undertaken by the Board. In this capacity, the Board determines payments to the directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. No advice was sought during the 2021 financial year. The maximum aggregate amount of fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. It is presently set at \$250,000 in aggregate for all directors.

### **Directors Remuneration**

The directors received monthly directors' fees as disclosed below pursuant to letters of appointment issued by the Company. There is no minimum notice period for resignation or termination. Formal contracts are not issued.

All remuneration paid to directors is valued at the cost to the Company and expensed.

### **Service Agreements**

[Damion Ryan – Managing Director](#)

Terms of Agreement – commenced 1 March 2021 until terminated by either party, with 6 months' notice.

Fees – fixed remuneration of \$132,000 per annum plus superannuation

[Chee Cheong \(David\) Low – Company Secretary](#)

Terms of Agreement – commenced 12 April 2021 until terminated by either party, with 6 months' notice.

Fees – fixed remuneration of \$36,000 per annum plus superannuation

**Directors' Report**

**Remuneration Report (Audited) (cont'd)**

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ("KMP") of Ennox Group Ltd are shown in the table below:

2021	Short Term	Post		Long-term	Termination	Share based	Total
	Benefits <sup>1</sup>	Employment	Benefits <sup>2</sup>	benefits	benefits	payments	
	Cash Salary	Non-	Super-	Long	Termination	Options	
	and Fees	monetary	annuation	Service	payments		
	\$	\$	\$	Leave		\$	\$
DIRECTORS							
Yit Yang Yee	54,000	-	5,130	-	-	-	59,130
Damion Ryan	89,000		4,180				93,180
Kurt Lehndorf <sup>(c)</sup>	24,000		-				24,000
David Low <sup>(a)</sup>	109,500	-	5,130	-	-	-	114,630
Charles Mac <sup>(b)</sup>	17,500	-	1,663	-	-	-	19,163
	<b>294,000</b>	<b>-</b>	<b>16,103</b>				<b>310,103</b>

2020	Short Term	Post		Long-term	Termination	Share based	Total
	Benefits <sup>1</sup>	Employment	Benefits <sup>2</sup>	benefits	benefits	payments	
	Cash Salary	Non-	Super-	Long	Termination	Options	
	and Fees	monetary	annuation	Service	payments		
	\$	\$	\$	Leave		\$	\$
DIRECTORS							
David Low	119,000	-	7,885	-	-	-	126,885
Charles Mac	30,000	-	2,850	-	-	-	32,850
Yit Yang Yee	19,000	-	1,806	-	-	-	20,806
	<b>168,000</b>	<b>-</b>	<b>12,541</b>				<b>180,541</b>

<sup>1</sup>Short Term Benefits consists of salary, cash bonus, director's fees and/or consulting fees. No non-monetary benefits, performance based remuneration or other benefits (other than directors' & officers' liability insurance) were provided that formed part of Short Term Benefits.

<sup>2</sup>Post Employment Benefits consists of superannuation. No other benefits were provided that formed part of Post-Employment Benefits.

<sup>(a)</sup> Resigned as director on 12 April 2021 and included management fee of \$55,500 paid to JCL Capital Pty Ltd, a company controlled by Mr David Low.

<sup>(b)</sup> Resigned as director on 1 December 2020

<sup>(c)</sup> Included consultancy fee of \$3,000 paid to a company controlled by Mr Kurt Lehndorf.

**Directors' Report**

**Remuneration Report (Audited) (cont'd)**

**Shareholdings held by Key Management Personnel**

Directors	Balance 30.6.2020	Received as Remuneration	Issued as Consideration	Shares (Sold) Purchased	Balance 30.6.2021
Yit Yang Yee	-	-	-	-	-
Damion Ryan	-	-	-	-	-
Kurt Lehndorf	-	-	-	-	-
David Low	-	-	-	-	-

**Voting and Comments made at the Company's 2020 Annual General Meeting**

Ennox Group Ltd received more than 95% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

*Consequences of performance on shareholder wealth*

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following in respect of the current financial year and the previous four financial years:

	2021	2020	2019	2018	2017
Basic earnings/(loss) per share (cents)	(0.36)	0.25	(0.03)	(0.15)	0.17
Dividend (cent/share)	-	-	-	-	-
Net profit/(loss) (\$'000)	(6,324)	4,384	(533)	(667)	661
Share price (\$)	0.002	0.002	0.003	0.003	0.002

**Hedging Of Securities**

In accordance with the Group's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or director share plan.

**End of Remuneration Report (Audited)**

**Meetings of Directors**

	Directors' Meetings		Circular Resolutions Passed
	Number eligible to attend	Number attended	
Yit Yang Yee	2	2	6
Damion Ryan	2	2	6
Kurt Lehndorf	2	2	6
David Low	2	2	6
Charles Mac	-	-	5



## **Directors' Report**

### **Indemnifying Officers or Auditor**

During the year the Group provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Group, other than conduct involving a wilful breach of duty in relation to the Group. No indemnity is provided to the auditors. Premiums paid during the year cannot be disclosed due to confidentiality reasons.

### **Proceedings on Behalf of Group**

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

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

### **Unissued Shares under Option**

Ennox Group Ltd has no unissued ordinary shares under option at the date of this report.

### **Non-audit Services**

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants (including Independence Standards) (the Code) set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors, William Buck during the year ended 30 June 2021:

- William Buck taxation services \$9,000

### **Auditors' Independence Declaration**

A copy of the independence declaration provided by the Group's auditors in accordance with s307c of the Corporations Act 2001 in relation to the audit of the 30 June 2021 financial report is presented on page 8 and forms part of this Director's Report.

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



Managing Director  
Damion Ryan  
Dated 31 August 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF ENNOX GROUP LTD**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2021 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 Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read 'N. S. Benbow'.

**N. S. Benbow**  
Director

Dated this 31<sup>st</sup> day of August, 2021

**ACCOUNTANTS & ADVISORS**

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**williambuck.com**

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Consolidated Statement of Profit or Loss & Other Comprehensive Income**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	80,860	73,693
Investment gain/(loss)	2	(7,269,398)	6,133,554
		<u>(7,188,538)</u>	<u>6,207,247</u>
Financial services and investment expenses		(112,602)	(35,342)
Amortisation	7	(8,628)	-
Communication & IT expenses		(1,041)	(1,860)
Consultants fees		(88,500)	(24,400)
Directors fees, salaries		(242,602)	(180,541)
Interest expense		(26,141)	(1,423)
Legal fees		(17,133)	(1,015)
Occupancy expenses		(1,920)	(2,050)
Corporate and administrative expenses		(120,314)	(93,568)
<b>Profit/(Loss) before income tax</b>		<b>(7,807,419)</b>	<b>5,867,048</b>
Income tax (expense)/benefit	4	1,483,324	(1,483,324)
<b>Profit/(Loss) after income tax</b>		<b>(6,324,095)</b>	<b>4,383,724</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(6,324,095)</b>	<b>4,383,724</b>
<b>Basic earnings/(loss) per share (cents)</b>	5	(0.36)c	0.25c
<b>Fully diluted earnings/(loss) per share (cents)</b>	5	(0.36)c	0.25c

The above statement should be read in conjunction with the accompanying notes.

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**As at 30 June 2021**

**Consolidated Statement of Financial Position**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		1,112,693	1,094,834
Trade and other receivables		6,855	11,218
Financial assets	6	1,737,940	8,970,308
<b>TOTAL CURRENT ASSETS</b>		<b>2,857,488</b>	<b>10,076,360</b>
NON-CURRENT ASSETS			
Intangible assets	7	66,362	74,990
<b>TOTAL NON-CURRENT ASSETS</b>		<b>66,362</b>	<b>74,990</b>
<b>TOTAL ASSETS</b>		<b>2,923,850</b>	<b>10,151,350</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables		83,427	59,132
<b>TOTAL CURRENT LIABILITIES</b>		<b>83,427</b>	<b>59,132</b>
NON-CURRENT LIABILITIES			
Borrowings	8	555,624	-
Deferred tax liabilities	9	-	1,483,324
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>555,624</b>	<b>1,483,324</b>
<b>TOTAL LIABILITIES</b>		<b>639,051</b>	<b>1,542,456</b>
<b>NET ASSETS</b>		<b>2,284,799</b>	<b>8,608,894</b>
<b>EQUITY</b>			
Issued capital	10	36,460,868	36,460,868
Accumulated losses		(34,176,069)	(27,851,974)
<b>TOTAL EQUITY</b>		<b>2,284,799</b>	<b>8,608,894</b>

The above statement should be read in conjunction with the accompanying notes.

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Consolidated Statement of Cash Flows**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Stockbroking and advisory income		80,631	61,284
Payments to suppliers & directors		(555,454)	(361,804)
Interest received		229	1,191
Interest expense		(9,528)	(1,423)
<b>Net cash provided by / (used in) operating activities</b>	13	<b>(484,122)</b>	<b>(300,752)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(861,093)	(766,070)
Payment for intangible asset		-	(74,990)
Receipt from sale of investment		824,063	782,096
<b>Net cash provided by / (used in) investing activities</b>		<b>(37,030)</b>	<b>(58,964)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		539,011	-
<b>Net cash provided by/(used in) financing activities</b>		<b>539,011</b>	<b>-</b>
Net increase / (decrease) in cash held		17,859	(359,716)
Cash and cash equivalents at the beginning of the financial year		1,094,834	1,454,550
<b>Cash and cash equivalents at end of financial year</b>		<b>1,112,693</b>	<b>1,094,834</b>

The above statement should be read in conjunction with the accompanying notes.

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Consolidated Statement of Changes in Equity**

	Share Capital Ordinary	Accumulated Losses	Total
Note	\$	\$	\$
<b>Balance 1.7.20</b>	<b>36,460,868</b>	<b>(27,851,974)</b>	<b>8,608,894</b>
(Loss) attributable to members	-	(6,324,095)	(6,324,095)
<b>Total comprehensive income</b>		<b>(6,324,095)</b>	<b>(6,324,095)</b>
<b>Balance at 30.6.21</b>	<b>36,460,868</b>	<b>(34,176,069)</b>	<b>2,284,799</b>
<b>Balance 1.7.19</b>	<b>36,460,868</b>	<b>(32,235,698)</b>	<b>4,225,170</b>
Profit attributable to members	-	4,383,724	4,383,724
<b>Total comprehensive income</b>		<b>4,383,724</b>	<b>4,383,724</b>
<b>Balance at 30.6.20</b>	<b>36,460,868</b>	<b>(27,851,974)</b>	<b>8,608,894</b>

The above statement should be read in conjunction with the accompanying notes.

**Note 1 Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover Ennox Group Ltd (“Company”) and its controlled entities as a consolidated entity (“Group”). Ennox Group Ltd is a for-profit ASX listed public company incorporated and domiciled in Australia.

The financial report of Ennox Group Ltd complies with all International Financial Reporting Standards and Interpretations (IFRS) in their entirety. These financial statements are prepared in Australian Dollars (AUD), which is the Company's functional and presentation currency.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements have been authorised for issue by the Directors on 31 August 2021.

**Basis of preparation**

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

**Accounting policies**

**a. Revenue Recognition**

The activity of the Group is that of provision of corporate advisory services, stockbroking, investments and receipt of dividends and interest income.

Dividend income is recognised as income when the Group becomes entitled to the dividend.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Realised gains and losses arising from the disposal of investments are recognised in the Statement of Profit or Loss and Other Comprehensive Income as investment gains or losses. Investments are held at fair value with changes in fair value taken to the Statement of Profit or Loss and Other Comprehensive Income as unrealised gains and losses.

Stockbroking revenues are earned based on trading activity and schedules of rates as agreed to with the securities clearing house. Revenues are recognised as income at the point at which the underlying trades are settled.

Corporate advisory fees and any revenues earned under retainer are contractually agreed fees and are recognised on an accruals basis and earned over time upon execution of transaction or deliverables.

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**b. Financial assets**

Financial assets are held at fair value with changes in fair value taken to profit and loss. These Financial Assets are initially recognised at fair value and transaction costs are expensed as incurred. Financial Assets are subsequently re-measured at fair value. Investments are valued based on quoted bid market prices at reporting date when available.

**c. Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 30 days to maturity.

**d. Payables**

Payables represent the principal amounts outstanding at reporting date, plus where applicable, any accrued interest.

**e. Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

The income tax calculations have been prepared on the basis of the tax consolidated group that was formed on the 1st July 2010 with an appropriate tax-sharing agreement in place. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Recognised tax losses are applied proportionately against the deferred tax liability up until no deferred tax liability is applicable. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the Statement of Profit or Loss & Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**f. Goods and services tax (GST)**

Revenues, 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 Tax Office. In these circumstances, GST is recognised as part of the costs of acquisition of the asset or as part of an expense item. Receivables and payables in the statement of financial position are shown inclusive of GST. The statement of cash flow is shown exclusive of GST.



**g. Receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provision for expected credit losses.

**h. Intangible asset**

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

**i. Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**j. Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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**k. Earnings per share**

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the Company, adjusted for the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**l. Foreign currency translation**

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

**m. Operating Segment**

Operating segments are reported in a manner consistent with the operations of the Group and the internal reporting provided to the chief operating decision maker. The Group's operating segments have remained consistent in Financial Year ended 2021 on the prior year.

**n. Basis of consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A list of controlled entities is contained in note 17 to the financial statements. All controlled entities have a June financial year end. As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where control of a subsidiary is lost, the assets and liabilities are derecognised at carrying value at the date of loss of control and results are included up to the date control was lost.

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**Notes To The Financial Statements (Cont'd)**

**2.Revenue**

		<b>2021</b>	<b>2020</b>
<b>Revenue:</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>
Service revenue		80,631	72,502
Interest received		229	1,191
		<b>80,860</b>	<b>73,693</b>

**Investment gains/(losses):**

Realised investment gain / (loss)		(12,179)	28,477
Unrealised investment gain / (loss)	6	(7,257,219)	6,105,077
		<b>(7,269,398)</b>	<b>6,133,554</b>

**3.Auditors Remuneration**

		<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
Remuneration of the auditor, William Buck, for:			
- audit of the financial report		17,500	18,000
- review of the half year report		8,000	7,150
- taxation and other services		9,000	900
		<b>34,500</b>	<b>26,050</b>

**4.Income Tax Expense**

		<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
a. The components of tax expense comprise:			
Current tax		-	-
Deferred tax benefit/(expenses)	8	1,483,324	(1,483,324)
		<b>1,483,324</b>	<b>(1,483,324)</b>

b. Reconciliation for profit/(loss)

Numerical reconciliation of income tax expense at the statutory rate		(7,807,419)	5,867,048
Tax at the statutory rate of 30%		(2,342,226)	1,760,114
Tax effects which are not deductible / (taxable) in calculating taxable income:			
Carry-forward tax losses previously not recognised		858,902	(276,790)
Income tax expense (benefit)		<b>(1,483,324)</b>	<b>1,483,324</b>

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**Notes To The Financial Statements (Cont'd)**

<b>5. Earnings Per Share</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Profit/(losses) used in the calculation of earnings/(loss) per share is the net profit/(loss) after tax	<b>(6,324,095)</b>	4,383,724

	<b>shares</b>	<b>shares</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings/(loss) per share	1,768,508,068	1,768,508,068

The 1,326,381,051 options that expired on the 16th August 2020 were not used to calculate the diluted earnings/(loss) per share in 2020 as they were out of the money and expired without any options being exercised."

<b>6. Financial Assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through profit or loss		
Shares in listed corporations securities, at market value		
Opening Balance	8,970,308	2,852,780
Additions	861,093	766,070
Cost to trade	-	(14,615)
Disposals	(824,063)	(739,004)
Revaluations gain/(loss)	(7,269,398)	6,105,077
<b>Closing Balance</b>	<b>1,737,940</b>	<b>8,970,308</b>

All the financial assets are shares held in respect of listed corporations and are all in level one of the fair value hierarchy. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets.

**7. Intangible Asset**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Australian Financial Services License	74,990	74,990
Less Accumulated Amortisation	(8,628)	-
	<b>66,362</b>	<b>74,990</b>

The intangible asset represents the AFSL: 348530 acquired towards the end of the last financial year from the acquisition the assets of Ennox Securities Pty Ltd (formerly known as Norris Smith Securities Pty Ltd). The AFSL will be amortised over its estimated useful life of 10 years. There were no events or changes in circumstances during the period indicating the asset may be impaired.

**8. Borrowings**

This represents an unsecured investment loan of principal of USD410,476 (\$539,011) which carries an interest rate of 5% per annum maturing 18 November 2022. Total accumulated interest up to 30 June 2021 of \$16,613 plus the loan principal are repayable at maturity with no equity conversion option.

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**Notes To The Financial Statements (Cont'd)**

<b>9. Deferred Tax</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Deferred tax liabilities comprise equity investments held at fair value:		
Opening balance	1,483,324	-
Amount charged to / (credited to) deferred tax expense / (benefit)	(1,483,324)	1,483,324
Closing balance	-	1,483,324

As at 30 June 2021, there were no deferred tax assets/(liabilities) not otherwise recognised in the financial statements.

**10. Issued Capital**

The fully paid ordinary shares of the Company as at 30 June 2021 was 1,768,508,068 shares (2020: 1,768,508,068 shares). There are no options outstanding as at 30 June 2021 (2020: 1,326,381,051 options). Note that the 1,326,381,051 options expired on the 16th August 2020 without any options being exercised.

The ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held. At shareholders meetings each ordinary shareholder is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**11. Contingent Liabilities**

There are no contingent liabilities at 30 June 2021 (2020: Nil).

**12. Events Subsequent To Balance Date**

There has been no significant event or transaction post balance date relevant for reporting in these financial statements.

**13. Cash Flow Information**

	<b>2021</b>	<b>2020</b>
(a) Reconciliation of cash flow from operations with profit after income tax	\$	\$
Profit/(loss) after income tax	(6,324,095)	4,383,724
Fair value movements attributable to the investments	7,269,398	(6,133,554)
Amortisation of intangible assets	8,628	-
Interest accrued on borrowings	16,613	-
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in receivables	4,363	(11,218)
Increase/(decrease) in payables	24,295	(23,028)
Increase/(decrease) in deferred tax liabilities	(1,483,324)	1,483,324
<b>Cash flow from operations</b>	<b>(484,122)</b>	<b>(300,752)</b>

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**Notes To The Financial Statements (Cont'd)**

<b>14. Related Party Transactions</b>	<b>2021</b>	<b>2020</b>
Individual Directors' and Executives' Compensation Disclosures	\$	\$
Short-term employee benefits	294,000	168,000
Post-employment benefits	16,103	12,541
	<b>310,103</b>	<b>180,541</b>

**Loans to and from key management personnel**

There were no loans to key management personnel of the Group, including their personally related parties, as at 30 June 2021 (2020: nil) other than those disclosed in the financial report.

**Other transactions with key management personnel**

No transactions between Directors and their Director-related entities were made with the Group during the year ended 30 June 2021 (2020: \$36,000) other than those disclosed in the Remuneration Report forming part of the Directors Report.

**15. Financial Risk Management**

The Group is exposed to a variety of financial risks including market risk (price risk and interest rate risk), credit risk and liquidity risk. The Board of the Group monitors these risk factors as part of regular reviews of financial performance.

**Financial Risk Management Policies**

The Board of Directors is responsible for monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies, market risk including review of the investment manager and future cash flow requirements.

**(a) Credit Risk**

The consolidated entity is not exposed to any significant credit risk. The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

<b>Classes of financial assets - carrying amounts</b>	<b>2021</b>	<b>2020</b>
	\$	\$
Cash and cash equivalents	1,112,693	1,094,834
Trade and other receivables	6,855	11,218
Financial assets	1,737,940	8,970,308
	<b>2,857,488</b>	<b>10,076,360</b>

The Group has a single concentration of credit risk relating to its financial assets, which is described in market risk below.

**Notes To The Financial Statements (Cont'd)**

**15. Financial Risk Management (Cont'd)**

**(b) Market Risk and Foreign Currency Risk**

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Group is inherently exposed to market risk as it invests its capital in securities whose prices fluctuate, that is, are not risk free. In addition, the Company's investments and a US Dollars denominated loan is subject to foreign exchange fluctuation risks and there are no hedging activities undertaken. The carrying values of financial assets and liabilities represented in the statement of financial position approximate their fair value.

The Group's Level 1 financial assets, as described in note 6, is a majority of the direct equity investment which is quoted on the Malaysian stock exchange. As a consequence, a 10% movement in the quoted price or the Malaysian Ringgit has the potential to impact the results of these financial statements by \$160,068.

**(c) Liquidity Risk**

The consolidated entity is not exposed to any significant liquidity risk. Liquidity risk is the risk that there will be difficulties in meeting obligations associated with financial liabilities. Cash flow is monitored daily with a view to any up-coming commitments such as asset acquisitions, tax payments and forecast cash inflows and outflows due in day-to-day business. A portion of the Group's available cash is invested in listed equities.

Liquidity needs are monitored in various time bands, on a week-to-week basis and month-to-month basis. Long-term liquidity needs for 180-day and a 360-day lookout period are identified and monitored monthly. Net cash requirements are factored into the Group's ability to convert financial assets to cash on a timely basis.

The Group considers expected cash flows from financial assets, principally trade receivables, in assessing and managing liquidity. The ability to convert investments to cash in a timely manner is dependent upon market conditions and liquidity of the market in which the investment is being liquidated. Given the level of liquidity of some of the Group's investments, individual investment liquidity is monitored on an on-going basis. In the event this is required, management expects, based upon their understanding of underlying trading volumes, that it can convert its financial assets described in note 6, to cash at an appropriate fair value from a market participant buyer within 3 months.

The maturity of the Group's financial liabilities are as follows:

	--- Current ---		--- Non-current ---	
	Within 6 months	6-12 months	1-5 years	5+ years
<b>30 June 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	83,427	-	-	-
<b>Total</b>	<b>83,427</b>	<b>-</b>	<b>-</b>	<b>-</b>

This compares to the maturity of the Group's financial liabilities in the previous reporting period as follows:

	--- Current ---		--- Non-current ---	
	Within 6 months	6-12 months	1-5 years	5+ years
<b>30 June 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	59,132	-	-	-
<b>Total</b>	<b>59,132</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes To The Financial Statements (Cont'd)**

**15. Financial Risk Management (Cont'd)**

**(d) Capital Management Strategy**

*(1) Capital requirements*

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

The Group's capital includes ordinary share capital, supported by financial assets. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

On 30 November 2020, at the Annual General Meeting of the Company, the shareholders of Ennox approved a 10% placement facility in accordance with Listing Rule 7.1A. The Company now has total placement facility to issue up to 442,127,017 new shares or 25% of the share capital of the Company up to the next Annual General Meeting of the Company.

**16. Segment Information**

The Group's operating segments, as described below, are based on its strategic business units. The Group has identified its business units based on internal reports that are reviewed annually and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The revenues, profit and asset and liabilities generated by each of the Group's operating segments are summarised as follows

**(i) Segment Performance**

<b>30 June 2021</b>	<b>Investment Management</b>	<b>Corporate Advisory</b>	<b>Stockbroking</b>	<b>Total</b>
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
External revenue	-	-	80,631	80,631
Interest revenue	229	-	-	229
<b>Total segment and group revenue</b>	<b>229</b>	<b>-</b>	<b>80,631</b>	<b>80,860</b>
Other income:				
Realised/unrealised profit/(loss) on investments	(7,269,398)	-	-	(7,269,398)
<b>Total segment revenue and other income</b>	<b>(7,269,169)</b>	<b>-</b>	<b>80,631</b>	<b>(7,188,538)</b>
<b>Segment profit/(loss) before tax and amortisation</b>	<b>(7,312,276)</b>	<b>(3,396)</b>	<b>(61,935)</b>	<b>(7,377,607)</b>
Less amortisation expense				(8,628)
Less interest expense				(26,141)
Less unallocated company holding costs				(395,043)
<b>Segment profit/(loss) before tax</b>				<b>(7,807,419)</b>
Income tax (expense)/benefit				1,483,324
<b>Segment (loss) after tax</b>				<b>(6,324,095)</b>



**ENNOX GROUP LTD**  
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**Notes To The Financial Statements (Cont'd)**

**16. Segment Information (Cont'd)**

<b>(i) Segment Performance</b>	<b>Investment Management</b>	<b>Corporate Advisory</b>	<b>Stockbroking</b>	<b>Total</b>
<b>30 June 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total segment assets</b>				
- Allocated	1,737,940	12,524	97,038	1,847,502
- Unallocated – holding company	-	-	-	1,076,348
<b>Total – 30 June 2021</b>	<b>1,737,940</b>	<b>12,524</b>	<b>97,038</b>	<b>2,923,850</b>
<b>Total segment liabilities</b>				
- Allocated	555,624	-	14,923	570,547
- Unallocated – holding company	-	-	-	68,504
<b>Total – 30 June 2021</b>	<b>555,624</b>	<b>-</b>	<b>14,923</b>	<b>639,051</b>

**(ii) Geographical Information**

The Group operates in one geographical segment, namely Australia.

**17. Interests in Subsidiaries**

	<b>Principal Activity</b>	<b>Country Of Incorporation</b>	<b>Percentage Owned (%)</b>	
			<b>2021</b>	<b>2020</b>
Subsidiaries of Ennox Group Ltd:				
Ennox Capital Pty Ltd	Corporate Advisory	Australia	100	100
Ennox Investments Pty Ltd	Investment Management	Australia	100	100
Ennox Securities Pty Ltd	Stockbroking	Australia	100	100

**ENNOX GROUP LTD**  
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**Notes To The Financial Statements (Cont'd)**

**18. Parent Entity Information relating to Ennox Group Ltd (the "Parent Entity")**

<b>30 June</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Current assets	2,674,853	10,039,745
<b>Total assets</b>	<b>2,674,853</b>	<b>10,039,745</b>
Current liabilities	610,142	39,824
Non-current liabilities		-
<b>Total liabilities</b>	<b>610,142</b>	<b>39,824</b>
<b>Net Assets</b>	<b>2,064,711</b>	<b>9,999,921</b>
Issued capital	36,460,868	36,460,868
Profit/(Loss) for the year	(7,935,210)	5,777,828
Accumulated losses	(26,460,947)	(32,238,775)
<b>Total Equity</b>	<b>2,064,711</b>	<b>9,999,921</b>

**19. Company Details**

The Group's registered office and principal place of business is:  
Level 13, 200 Queen Street  
MELBOURNE, VIC 3000

**Directors' Declaration**

In the opinion of the directors of Ennox Group Ltd:

- (a) the consolidated financial statements and notes of Ennox Group Ltd are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that Ennox Group Ltd will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Director for the financial year ended 30 June 2021.

Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Damion Ryan  
Managing Director

31 August 2021

## Ennox Group Ltd

### Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Ennox Group Ltd (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; 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 Group 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

[williambuck.com](http://williambuck.com)

LEVEL 1 EQUITY INVESTMENTS	
Area of focus	How our audit addressed it
<p>The Group has invested in Level 1 Equity Investments which had a fair value as at reporting date of \$1,737,940.</p> <p>These investments represent the majority of its net assets and are material to the statement of financial position. Any significant impact arising from a financial risk relating to this investment has the ability to materially impact upon the overall net asset position of the Group as at reporting date and the results of its profit or loss for the year.</p> <p>Key financial risks identified by management relating to these investments, which have been disclosed and summarised in the notes to the financial statements, include the following:</p> <ul style="list-style-type: none"> <li>— An exposure to quoted equity prices;</li> <li>— Exposures to foreign exchange rates upon which those equity prices are based upon;</li> <li>— Credit risk of the investment; and</li> <li>— The liquidity profile of that investment, and in-particular, any restrictions placed over the cash-portion of the investment.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Performing positive confirmations (market price, holdings) on all of the Group's investments as managed by the investment broker;</li> <li>— Examining the underlying investment, including its exposure to market prices (equities, foreign exchange) and restrictions on the liquidity profile of the investment;</li> <li>— Identifying and appraising the credit-worthiness of the counterparty to the investment;</li> <li>— Recomputing the exposures of the investment for its susceptibility to those aforesaid financial statement risks and comparing those exposures to those disclosed in the notes to the financial statements; and</li> <li>— Assessing the deferred taxation impacts arising from valuation movements on the assets.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the 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, 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 Group 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 Group 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/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

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

## Report on the Remuneration Report

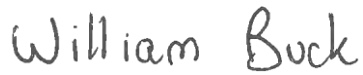
### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ennox Group Ltd, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136

**N.S. Benbow**

Director

Melbourne, 31 August 2021

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Additional Information**

**Details of shares and options as at 19 August 2021**

Ennox Group Ltd has on issue 1,768,508,068 fully paid up shares held by 830 holders as at 19 August 2021. All ordinary share of the Company carry one vote per share.

**Twenty Largest Shareholders**

The top 20 shareholder of Ennox Group Ltd as at 19 August 2021 are follows:

	<b>Name</b>	<b>Balance</b>	<b>%</b>
1.	Promise Shine Limited	222,560,000	12.58%
2.	Innoview Investments Limited	200,000,000	11.31%
3.	New Features Global Investments Limited	172,000,000	9.73%
4.	MMRW Holding Pty Ltd	158,486,963	8.96%
5.	HSBC Custody Nominees (Australia) Limited	156,300,000	8.84%
6.	Eastern Empire Limited	153,120,000	8.66%
7.	Citicorp Nominees Pty Limited	113,529,049	6.42%
8.	Soo Corp Pty Ltd	62,255,000	3.52%
9.	ACSINC Pty Ltd <ACSINC Family A/C>	62,000,000	3.51%
10.	Kretella Asia Limited	42,555,496	2.41%
11.	Mr Elias Chahoud	35,894,588	2.03%
12.	TIG Asia Pty Limited	20,863,812	1.18%
13.	BNP Paribas Nominees Pty Ltd Acf Clearstream	20,000,000	1.13%
14.	BNP Paribas Noms Pty Ltd <DRP>	16,001,000	0.90%
15.	Mr Shengwei Ou	13,949,794	0.79%
16.	Lightglow Enterprises Pty Ltd <Paloma Investments A/C>	13,519,484	0.76%
17.	Mr Kim Fi Lay	12,000,000	0.68%
18.	Miss Huanhuan Ruan	11,523,943	0.65%
19.	GA & AM Leaver Investments Pty Ltd <GA & AM Leaver S/Fund A/C>	11,281,176	0.64%
20.	EQ Wong Super Pty Ltd <Wong Superannuation Fund A/C>	10,494,150	0.59%
	Total Securities Of Top 20 Holdings	1,508,334,455	85.29%
	<b>Total Of Securities</b>	<b>1,768,508,068</b>	<b>100.00%</b>

There were 669 shareholders holding less than a marketable parcel (\$500) based on a market price of \$0.002 at the close of trading on 17 August 2021.



**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Additional Information (Cont'd)**

**Distribution of Equity Securities**

<b>Holdings Ranges</b>	<b>Holders</b>	<b>Total Shares</b>	<b>%</b>
1-1,000	26	13,979	0.000
1,001-5,000	80	294,766	0.020
5,001-10,000	142	1,265,628	0.070
10,001-100,000	374	11,917,779	0.670
100,001-9,999,999,999	208	1,755,015,916	99.240
<b>Totals</b>	<b>830</b>	<b>1,768,508,068</b>	<b>100.000</b>

**Substantial Shareholders**

The names of substantial shareholders of the Company are as follows:

	<b>Number of Shares</b>	<b>%</b>
Promise Shine Limited	222,560,000	12.58%
Innoview Investments Limited	200,000,000	11.31%
New Features Global Investments Limited	172,000,000	9.73%
MMRW Holding Pty Ltd	158,486,963	8.96%
HSBC Custody Nominees (Australia) Limited	156,300,000	8.84%
Eastern Empire Limited	153,120,000	8.66%
Citicorp Nominees Pty Limited	113,529,049	6.42%

**ON-MARKET BUY BACK**

There is no current on-market buy back.

**CORPORATE GOVERNANCE STATEMENT**

The Company's 2021 Corporate Governance Statement has been released as a separate document and is located on our website at <http://www.ennoxgroup.com.au/>

**ENNOX GROUP LTD**  
**ACN 108 069 003**  
**For the year ended 30 June 2021**

**Additional Information (Cont'd)**

**Corporate Directory**

Directors	Yit Yang Yee Damion Ryan Kurt Lehndorf
Company Secretary	Damion Ryan Chee Cheong (David) Low
Principal Registered Office in Australia	Level 13, 200 Queen Street Melbourne Victoria 3000
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney New South Wales 2000
Auditor	William Buck Level 20, 181 William Street, Melbourne Victoria 3000
Solicitors	Steinepreis Paganin 16 Milligan St, Perth WA 6000
Bankers	National Australia Bank 221 Drummond Street, Carlton Victoria 3053