

**Cumi (Australia) Pty Limited**  
ABN 24 094 328 882

**Annual Report - 31 March 2021**

**Cumi (Australia) Pty Limited**  
**Directors' report**  
**31 March 2021**

The directors present their report, together with the financial statements, on the company for the year ended 31 March 2021.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Trevor Allen  
Rajesh Mohan Khanna (resigned 31 October 2020)  
Ananthaseshan Narayanan  
Shyam Satyanarayan Rao (appointed 31 October 2020)  
Muthiah Murugappan (appointed 13 January 2021)

**Principal activities**

During the financial year the principal continuing activities of the company consisted of:

- Supply of industrial ceramic products
- Supply of other related products including abrasives and refractories

**Dividends**

Dividends paid/payable during the financial year were as follows:

	2021	2020
	\$	\$
Interim dividend declared and paid for the year ended 31 March 2021 (2020: 31 March 2020) of \$1,316.63 (2020: \$0.00) per ordinary share, fully franked based on a tax rate of 30%	2,699,093	-
Final dividend declared for the year ended 31 March 2021 (2020: 31 March 2020) of \$957.39 (2020: \$0.00) per ordinary share, fully franked based on a tax rate of 30%	<u>1,962,656</u>	-

**Review of operations**

The profit for the company after providing for income tax amounted to \$1,962,656 (31 March 2020: \$2,699,093).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial year.

**Matters subsequent to the end of the financial year**

In March 2020, the COVID-19 virus began having a significant impact on the economic environment around world. In Australia, significant impact on the Australian economy were realised, which were partially offset by a series of Government stimulus initiatives. With these initiatives being unwound, the full effects of these impacts are not fully known and may not be known for an extended period.

No other matters or circumstance has arisen since 31 March 2021 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.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report.

**Environmental regulation**

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Cumi (Australia) Pty Limited**  
**Directors' report**  
**31 March 2021**

**Indemnity and insurance of officers**

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001.

**Indemnity and insurance of auditor**

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

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

**Auditor's independence declaration**

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Trevor Allen

Director

13 April 2021  
Newcastle

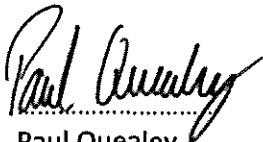
CUMI (AUSTRALIA) PTY LIMITED  
A.B.N 24 094 328 882

AUDITOR'S INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF CUMI (AUSTRALIA) PTY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021 there have been: -

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



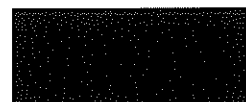
Paul Quealey  
Partner  
Lambourne Partners

Level 1, 56 Hudson Street  
HAMILTON NSW 2303

Dated: 14 April 2021

Lambourne Partners

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**31 March 2021**

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**General information**

The financial report covers Cumi (Australia) Pty Limited as an individual entity. The financial report is presented in Australian dollars, which is Cumi (Australia) Pty Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Cumi (Australia) Pty Limited is a company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

*Registered office*

Level 1

56 Hudson Street

Hamilton NSW 2303

*Principal place of business*

29 Gipps Street

Carrington NSW 2294

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 13 April 2021.

**Cumi (Australia) Pty Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2021**

	Note	2021 \$	2020 \$
Revenue	3	18,801,957	21,816,297
<b>Profit after income tax expense for the year attributable to the owners of Cumi (Australia) Pty Limited</b>	25	1,962,656	2,699,093
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the owners of Cumi (Australia) Pty Limited</b>		<u>1,962,656</u>	<u>2,699,093</u>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*

**Cumi (Australia) Pty Limited**  
**Statement of financial position**  
**As at 31 March 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,092,479	4,804,437
Trade and other receivables	8	4,138,969	3,908,975
Inventories	9	1,911,269	2,483,013
Derivative financial instruments	10	644,912	683,410
Contract asset	11	372,636	555,951
Income tax refund due		6	-
Other	12	<u>167,045</u>	<u>120,701</u>
Total current assets		<u>12,327,316</u>	<u>12,556,487</u>
<b>Non-current assets</b>			
Property, plant, and equipment	13	2,239,292	2,313,687
Right of use assets	14	1,645,044	822,254
Deferred tax	15	<u>302,255</u>	<u>313,809</u>
Total non-current assets		<u>4,186,591</u>	<u>3,449,750</u>
<b>Total assets</b>		<u>16,513,907</u>	<u>16,006,237</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	1,469,479	1,057,560
Derivative financial instruments	17	650,079	619,263
Lease liability	18	225,618	252,131
Employee benefits	19	555,628	483,461
Provisions	20	1,962,656	-
Other	21	<u>437,635</u>	<u>502,663</u>
Total current liabilities		<u>5,301,095</u>	<u>2,915,078</u>
<b>Non-current liabilities</b>			
Lease liability	18	1,479,703	634,002
Deferred tax	23	<u>47,566</u>	<u>72,521</u>
Total non-current liabilities		<u>1,527,269</u>	<u>706,523</u>
<b>Total liabilities</b>		<u>6,828,364</u>	<u>3,621,601</u>
<b>Net assets</b>		<u>9,685,543</u>	<u>12,384,636</u>
<b>Equity</b>			
Issued capital	24	500,797	500,797
Retained profits	25	<u>9,184,746</u>	<u>11,883,839</u>
<b>Total equity</b>		<u>9,685,543</u>	<u>12,384,636</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Cumi (Australia) Pty Limited**  
**Statement of cash flows**  
**For the year ended 31 March 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		18,544,564	22,829,676
Payments to suppliers and employees		<u>(15,101,543)</u>	<u>(17,860,110)</u>
		3,443,021	4,969,566
Interest received		32,669	50,796
Other revenue		904,050	22,141
Interest and other finance costs paid		(99,305)	(104,012)
Income taxes paid		<u>(913,984)</u>	<u>(1,090,230)</u>
Net cash from operating activities	30	<u>3,366,451</u>	<u>3,848,261</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant, and equipment	13	(128,289)	(299,142)
Proceeds from sale of property, plant, and equipment		-	<u>12,092</u>
Net cash used in investing activities		<u>(128,289)</u>	<u>(287,050)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	26	(2,699,093)	(2,282,860)
Lease payments		<u>(251,027)</u>	<u>(205,954)</u>
Net cash used in financing activities		<u>(2,950,120)</u>	<u>(2,488,814)</u>
Net increase/(decrease) in cash and cash equivalents		288,042	1,072,397
Cash and cash equivalents at the beginning of the financial year		<u>4,804,437</u>	<u>3,732,040</u>
Cash and cash equivalents at the end of the financial year	7	<u>5,092,479</u>	<u>4,804,437</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*



**Cumi (Australia) Pty Limited**  
**Directors' declaration**

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Cumi (Australia) Pty Limited;
- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 March 2021 and of its performance for the financial 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Trevor Allen  
Director

13 April 2021  
Newcastle

**CUMI (AUSTRALIA) PTY LIMITED**  
**A.B.N 24 094 328 882**

**INDEPENDENT AUDIT REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Unqualified Opinion**

We have audited the financial report of Cumi (Australia) Pty Limited (the Company), which comprises the balance sheet as at 31 March 2021, the profit and loss, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance, changes in equity and its cash flows for the year then ended in accordance with the accounting policies outlined at Note 1 to the financial report.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Company to meet the requirements of the applicable legislation. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Material Uncertainty Related to Going Concern**

The financial statements for the Company have been prepared on a going concern basis. The Directors have prepared the financial statements on a going concern basis due to the understanding of forecasted performance of the Company for the forthcoming periods. As at date of authorising the financial statement, the COVID-19 virus has provided uncertainty as to overall economic environment within Australia, particularly as the stimulus measures begin to be unwound. As such, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management and Those Charged With Governance is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Lambourne Partners

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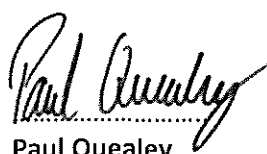
## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Paul Quealey

Partner

Lambourne Partners

Level 1, 56 Hudson Street  
HAMILTON NSW 2303

Dated: 15 April 2021