BOARD OF DIRECTORS	**REGISTERED AND PRINCIPAL BUSINESS OFFICE**	**AUDITORS**	**SECRETARY**
G. L. Rees, Chairman R. Rees, Managing Director D. G. Rees, Director	C/- Cook's Body Works P/L 140-144 Cochranes Road Moorabbin Vic. 3189 Phone : (03) 9553 5740	Nexia Melbourne Audit Pty Ltd Registered Audit Company Level 12/31 Queen Street Melbourne Vic 3000	R. Rees, B. Comm., CA
SOLICITORS	**BANKERS**		**SHARE REGISTRY**
Dandanis & Associates 1/17 Atherton Rd Oakleigh VIC 3166	National Australia Bank Ltd 330 Collins Street Melbourne VIC 3000	Commonwealth Bank Ltd 385 Bourke St Melbourne VIC 3000	Boardroom Pty Ltd Lvl 12, 225 George St Sydney NSW 2000
Davies Moloney Lvl 8, 221 Queen St Melbourne VIC 3000	Australia and New Zealand Banking Group Ltd 1/533 Blackburn Road Mount Waverley VIC 3149	Bank of Melbourne Ltd 424 Warrigal Rd Moorabbin VIC 3189	Sietel Limited ACN 004 217 734 ABN 75 004 217 734
The JRT Partnership Lvl 2, 99 Queen St Melbourne VIC 3000			

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Sietel Limited will be held at the Registered Office of the Company, C/- Cook's Body Works Pty Ltd, 140-144 Cochranes Road Moorabbin VIC 3189, on Monday 20th January 2020 at 12:00 pm, for the purpose of transacting the following business:

1. To receive, consider and adopt the financial report of the company and of the consolidated group for the year ended 30 September 2019 and the reports by directors and auditors thereon.

2. To receive, consider and adopt the remuneration report of the company and of the consolidated group for the year ended 30 September 2019 (Refer P.4. Annual Report).

3. Mr D. G. Rees was appointed by the board following the last AGM and retires in accordance with the company's constitution and, being eligible, offers himself for re-election.

4. Mr G. L. Rees retires in accordance with the company's constitution and, being eligible, offers himself for re-election.

5. To transact any other business which may be lawfully brought forward.

By Order of the Board.

R. Rees B. Comm., CA, Director, Company Secretary

Moorabbin, 12 December 2019

NOTES

VOTING
Individual members who are registered shareholders as at 15th January 2020 at 5:00pm are entitled to vote in person or by proxy. In accordance with the Corporations Act 2001, the vote will be carried out via a show of hands unless a poll is requested.

Under the Company's Constitution Ordinary Shareholders are entitled to one vote per share, Preference Shareholders are entitled to a vote of four (4) votes for each share at this meeting if dividends are in arrears.

PROXIES
A member entitled to attend and vote is entitled to appoint no more than two other persons to attend the Meeting and to act on his behalf. Where a member appoints two proxies, the proportion of the members' voting rights given in favour of each proxy must be specified. An additional proxy form will be supplied by the Company on request. The proxy must be lodged at the registered office of the company not less than 48 hours before the timing of the Meeting. A proxy may, but need not be a member of the company, but should be a natural person over the age of 18 years.

QUESTIONS
As provided for by the Corporations Act 2001, reasonable opportunity will be provided during the meeting for members to raise questions about the management of the company. In addition any member may submit a written question to the auditors concerning the content of the auditor's report or the conduct of the audit on the current financial report. Any written questions to the auditors must be submitted to Sietel no later than 5 working days before the day of the AGM.

VOTING EXCLUSION STATEMENT
Pursuant to the Corporations Act 2001, Sietel will disregard any votes cast on resolution 2 (in any capacity) by or on behalf of any key management personnel or their closely related parties. The vote will not be excluded, however, if the above mentioned person is acting as a proxy for another, who has been delegated voting authority in writing, and it has been specified how the proxy will vote on the resolution. If a vote is cast by proxy, which originates from key management personnel or related party, it will also be disregarded.

SIETEL LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT FOR YEAR ENDED 30 SEPTEMBER 2019

In accordance with a resolution of the Directors dated 12 December 2019, the Directors of the Company have pleasure in reporting on the Statements of Account of the Chief Entity and the Economic Entity for the financial year ended 30 September 2019 and the state of affairs as at 30 September 2019.

The Directors of the Chief Entity in office at the date of this report are as follows:

Geoffrey Rees – Non-executive Chair
Delwyn Garland Rees – Non-executive Director
Richard Rees – Managing Director

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Refer to table "Directors Meetings" page 3 of this report.

PRINCIPAL ACTIVITIES:
The Chief Entity is engaged principally in investment in industrial, commercial, retail real estate and listed company securities, provision of finance and lease facilities and plant and management services to its controlled entities and management, evaluation and expansion of these and other business opportunities.

The wholly owned controlled entity Cook's Body Works Pty Ltd continued trading as a commercial vehicle body builder.

The wholly owned controlled entity, The Cylinder Company Pty Ltd, is trading as a property maintenance company, mainly servicing the Chief Entity's properties as well as holding a number of Unlisted Investments.

The wholly owned controlled entity, A.B.N. 17 006 852 820 Pty Ltd is non-operating.

The wholly owned controlled entity, Alliance Appliances Australia Pty Ltd operates as a designer, developer, importer and distributor, of domestic appliances.

DIVIDENDS:
Dividends paid or declared for payment during the financial year are as follows:

Preference dividend of $0.05 per share paid on 5 Jan 2019	$3,750
Preference dividend of $0.05 per share paid on 5 Jul 2019	$3,750
Preference dividend of $0.05 per share to be paid on 5 Jan 2020 per announcement on 2 Dec 2019	$3,750

REVIEW OF OPERATIONS:
The investment properties owned by the Chief Entity have been tenanted during the year with one exception where the premise is under review for refurbishment or demolition.

Cook's Body Works Pty Ltd, continued to occupy one of the Chief Entity's properties in the Moorabbin area.

Cook's Body Works Pty Ltd has experienced price discounting from competitors for our primary fleet business and this has hindered management's efforts to deliver consistent profitability. However, some customers have indicated that lower pricing by competitors has not always been matched by the service and quality levels they expect and it is anticipated this will assist in future business negotiations.

The Company's management assisted by the non-executive directors have considered various investment opportunities in real estate, ASX listed shares, venture capital funds and other direct investment opportunities during the year and has allocated funds to a spread of direct venture capital investments as well as the real estate market and the reinvestment of dividends in its existing holdings of ASX top 200 listed company shares

The subsidiary AAA has continued to design and develop products for manufacture by third party offshore manufacturers and commence small scale importation and distribution of a very limited range of domestic gas water heaters and BBQs into the Australian market. Delays in implementing product changes to meet local Australian regulations and conditions has limited planned expansion. A review is being undertaken of overheads including staff levels in light of achievable turnover.

The Cylinder Company has operated within budget parameters during the year.

REVIEW OF FINANCIAL POSITION
The directors refer readers to the financial statements including, statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows, in relation to the Group's financial position and comparison.

OPERATING RESULTS:
The consolidated profit of the Economic Entity, after providing for an income tax revenue of $103,221 (2018 $148,688), amounted to $1,994,971 (2018 $1,234,077).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:
There have been no significant changes in the state of affairs of the Economic Entity during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Economic Entity and the results of those operations or the state of affairs of the Economic Entity in financial years subsequent to the financial year ended 30 September 2019.

ENVIRONMENTAL ISSUES:
The Economic Entity is not subject to significant environmental regulation in respect of its activities.

ASIC CLASS ORDER 98/100 ROUNDING OF AMOUNTS
Sietel Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, or in certain cases, to the nearest $1,000.

FUTURE DEVELOPMENTS:
No information has been included on the likely developments of the Chief Entity or the Economic Entity as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the Economic Entity.

INFORMATION ON DIRECTORS:

MR. DELWYN G. REES	**DIRECTOR Age 93**
Qualifications	Diploma of Commerce (Melbourne University) Member of CPA Australia Certified Practising Accountant
Experience and Special Responsibilities	Board Member since 1967 Appointed Chairman in 1970, resigned chair 2015 An accountant in public practice for over 30 years
Interests in Contracts	Director of a company which provides financial and management services to the Chief Entity. Consultant to Garland Consulting Services which has on occasions provided consulting and secretarial services to the Chief Entity.
Interests in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 26 which is to be read as forming part of this report.
MR. RICHARD REES	**MANAGING DIRECTOR AND COMPANY SECRETARY Age 69**
Qualifications	Bachelor of Commerce (Melbourne University) Member of Chartered Accountants Australia and New Zealand
Experience and Special Responsibilities	Board Member, Company Secretary and Managing Director of Chief Entity since 1981.
Interests in Contracts	Has a service and share option agreement with the Chief Entity dated March 1984. The full share option has already been exercised pre 1987.
Interest in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 26 which is to be read as forming part of this report.
MR. GEOFFREY REES	**DIRECTOR (CHAIRMAN) Age 65**
Qualifications	Bachelor of Law and Commerce (Melbourne University) Member of the Law Institute of Victoria and accredited business law specialist
Experience and Special Responsibilities	Board Member since August 2009 Appointed Chairman in 2015
Other Directorships and Appointments	Current Director of UoMC Limited, the commercialisation entity of the University of Melbourne.
Interest in Contracts	Employee of JRT Partnership Pty Ltd, which provides legal services for the Chief Entity.
Interest in Shares	Refer to Table headed Directors' Interest in Ordinary Shares on page 26 which is to be read as forming part of this report.

DIRECTORS' MEETINGS
During the financial year the attendance at Directors' meetings was as follows:

	Meetings held	Meetings attended
D.G. Rees	7	7
R. Rees	7	7
G. L. Rees	7	7

INDEMNIFICATION OF OFFICERS AND AUDITORS
During the financial year, the company paid a premium of $46,100 in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent of the policy limits with a current $7,500,000 in aggregate for all claims per twelve months.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2019 is included on page 9 of the Annual Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

OPTIONS

No options over shares or interest in the group have been taken up during the period, or are outstanding at the end of the period.

CORPORATE GOVERNANCE STATEMENT

Our corporate governance statement can be found on our website at www.sietel.com.au

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the yearly Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:-

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid during the year to Directors and executives with a breakdown into salaries/bonuses, superannuation and non-monetary benefits.

No equity component of remuneration is provided but Board policy is to encourage directors and executives to purchase shares in the company on the stock exchange with the objective of long term investment.

		Short Term Benefits				Post-Employment Benefits			
Name	Office	Salary/Bonus		Non-Monetary Benefits		Superannuation		Total	
		2019 ($)	2018 ($)	2019 ($)	2018 ($)	2019 ($)	2018 ($)	2019 ($)	2018 ($)
D.G. Rees	Director	70,000	70,000	-	-	6,650	6,650	76,650	76,650
R. Rees[1]	Director	240,000	250,000	40,000	40,000	25,000	25,000	305,000	315,000
G.L. Rees	Director	70,000	70,000	-	-	-	-	70,000	70,000
G. Nanscawen	Executive	45,662	45,662	-	-	4,338	4,338	50,000	50,000
T. Rees [2]	Executive	215,000	205,000	-	-	25,000	25,000	240,000	230,000
Total		**640,662**	**640,662**	**40,000**	**40,000**	**60,988**	**60,988**	**741,650**	**741,650**

[1] R. Rees' salary for 2019 includes bonuses totalling $55,000 (2018: $65,000). The six monthly bonuses with grant dates of 25 March 2019 and 13 September 2019 were paid with the intent of retaining the competitiveness of the managing director's salary with directors of a similar responsibility level in businesses of similar size and complexity while having regard for the current liquidity of the company. The bonuses totalling $55,000 have been fully paid as at 30 September 2019.

[2] T. Rees' salary for 2019 includes a bonus of $75,000 (2018: $65,000). The six monthly bonuses with grant dates of 25 March 2019 and 13 September 2019 have been fully paid as at 30 September 2019.

Signed, in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Board

Mr. G. L. Rees
Director

Mr. R. Rees
Director

Moorabbin,
12 December 2019

Nexia Australia

Independent Auditor's Report to the Members of Sietel Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sietel Limited, which comprises the consolidated statement of financial position as at 30 September 2019, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Sietel Limited 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 September 2019 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 entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, has been given to the Directors of the Company as at the date of this auditor's report.

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

Key Audit Matters

There are no key audit matters to be reported.

Other information

The Directors are responsible for the other information. The other information comprises the information in Sietel Limited's annual report for the year ended 30 September 2019, 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 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 the other information we are required to report that fact. We have nothing to report in this regard.

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Directors' responsibility 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 4 of the Directors' Report for the year ended 30 September 2019.

In our opinion, the Remuneration Report of Sietel Limited for the year ended 30 September 2019, 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.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 12th day of December 2019

DIRECTORS' DECLARATION

The directors declare that:

a) The attached financial statements and notes as set out on pages 10-25 thereto comply with Australian Accounting Standards;

b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company and the economic entity;

c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001;

d) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

e) The directors have been given a declaration required by s.295A of the Corporations Act 2001 by the Managing Director.

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

On behalf of the Directors

Mr. G. L. Rees
Director

Mr. R. Rees
Director

Moorabbin,
12 December 2019

Nexia Australia

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Sietel Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2019, 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.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 12th day of December 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Note		Economic Entity 2019 $	2018 $
	Continuing Operations:		
13	Revenues	11,288,531	8,276,420
13	Other income	207,799	436,590
14	Other expenses	(9,604,580)	(7,519,821)
14	Finance costs	-	-
	Operating profit/(loss) before income tax	1,891,750	1,193,189
17	Impairment of goodwill	-	-
14	Impairment of available for sale financial assets	-	(107,800)
	Profit/(loss) before income tax	1,891,750	1,085,389
18	Income tax revenue/(expense)	103,221	148,688
	Profit/(loss) after income tax	1,994,971	1,234,077
	Other Comprehensive Income or Loss:		
	Items that may be reclassified subsequently to profit or loss		
13	Net gain/(loss) on revaluation of financial assets measured at fair value through other comprehensive income	861,707	1,878,093
	Other comprehensive income/(loss) for the year	861,707	1,878,093
	Total comprehensive income/(loss) for the year	2,856,678	3,112,170
29	Earnings per share (EPS) - Basic (cents per share)	24.91	15.41
	EPS - Basic (cents per share) - continuing operations	24.91	15.41
29	Earnings per share (EPS) - Diluted (cents per share)	24.68	15.27
	EPS - Diluted (cents per share) – continuing operations	24.68	15.27
	Profit/(loss) for the year attributable to:		
	Owners of the Parent	1,994,971	1,234,077
		1,994,971	**1,234,077**
	Total comprehensive income/(loss) for the year attributable to:		
	Owners of the Parent	2,856,678	3,112,170
		2,856,678	**3,112,170**

Notes to and forming part of the accounts are set out on pages 12 to 25.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

Note		Economic Entity 2019 $	Economic Entity 2018 $
	Current Assets		
28(i)	Cash and cash equivalents	1,678,848	2,158,459
3	Trade and other receivables	1,145,992	900,719
4	Inventories	1,009,157	569,304
5	Other current assets	418,853	366,394
6	Current tax receivables	316,135	319,312
	Total Current Assets	4,568,985	4,314,188
	Non-Current Assets		
	Trade and other receivables	-	-
7	Financial assets	34,520,071	31,960,079
8	Property, plant and equipment	2,405,034	2,713,919
9	Investment properties	32,821,266	31,901,908
19	Deferred tax assets	958,655	847,020
	Total Non-Current Assets	70,705,026	67,422,926
	Total Assets	75,274,011	71,737,114
	Current Liabilities		
10	Trade and other payables	1,129,252	880,573
11	Other liabilities	364,254	333,298
21	Current tax liabilities	-	-
12	Provisions	1,128,528	1,071,804
	Total Current Liabilities	2,622,034	2,285,675
	Non-Current Liabilities		
	Financial liabilities	-	-
20	Deferred tax liabilities	1,863,443	1,512,083
	Total Non-Current Liabilities	1,863,443	1,512,083
	Total Liabilities	4,485,477	3,797,758
	Net Assets	70,788,534	67,939,356
	Equity		
25	Issued capital	4,257,129	4,257,129
	Reserves	7,708,447	6,846,740
	Retained earnings	58,822,958	56,835,487
	Total Shareholders' Equity	70,788,534	67,939,356

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 SEPTEMBER 2019

Economic Entity	Issued Capital	Reserves*	Retained Earnings	Total Equity
Balance at 1 October 2017	4,257,129	4,968,647	55,608,910	64,834,686
Net profit (loss) for the period	-	-	1,234,077	1,234,077
Other comprehensive income	-	1,878,093	-	1,878,093
Dividends paid	-	-	(7,500)	(7,500)
Balance at 30 September 2018	4,257,129	6,846,740	56,835,487	67,939,356
Net profit (loss) for the period	-	-	1,994,971	1,994,971
Other comprehensive income	-	861,707	-	861,707
Dividends paid	-	-	(7,500)	(7,500)
Balance at 30 September 2019	4,257,129	7,708,447	58,822,958	70,788,534

* 'Reserves' refers to a financial assets reserve, which includes all of the unrealised gains over cost on our available for sale financial assets, net of capital gains tax. Reversal of unrealised losses are transferred to Reserves at the gross value.

Notes to and forming part of the accounts are set out on pages 12 to 25.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2019

Note		Economic Entity	
		2019 **$**	**2018** **$**
	Cash flows from Operating Activities		
	Receipts from customers	9,249,953	6,557,879
	Payments to suppliers & employees	(8,370,576)	(5,790,748)
	Income tax paid	676	(309,997)
	Interest received	39,568	102,758
	Dividends received	1,753,737	1,381,246
	Finance costs	-	-
28(ii)	**Net cash provided by/(used in) operating activities**	2,673,358	1,941,138
	Cash flows from Investing Activities		
	Proceeds from sale of financial assets	1,102,408	3,254,805
	Purchase of property, plant & equipment	(14,055)	(428,128)
	Purchase of investment properties	(1,986,375)	(7,515,468)
	Purchase of financial assets	(2,247,447)	(2,595,275)
	Net cash provided by/(used in) investing activities	(3,145,469)	(7,284,066)
	Cash flows from Financing Activities		
	Dividends paid	(7,500)	(7,500)
	Net cash provided by/(used in) financing activities	(7,500)	(7,500)
	Net increase/(decrease) in cash held	(479,611)	(5,350,428)
	Cash and cash equivalents at beginning of financial year	2,158,459	7,508,887
28(i)	**Cash and cash equivalents at end of financial year**	1,678,848	2,158,459

Notes to and forming part of the accounts are included on pages 12 to 25.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the economic entity of Sietel Limited and controlled entities incorporated and domiciled in Australia.

The financial report of Sietel Limited and controlled entities complies with Australian Accounting Standards, which at present are considered equivalent to the International Financial Reporting Standards. Material accounting policies adopted in the preparation of these statements are stated below and were consistently applied unless otherwise stated.

The financial report has been prepared for a for-profit entity, with the Australian dollar as presentation currency and amounts rounded to the nearest whole dollar.

The financial statements were authorised for issue on 13 December 2019 by the directors of the company.

(A) Significant Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

(B) Property, Plant and Equipment

Depreciation has been charged in the accounts using either the reducing balance or straight line method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset including buildings classified as investments. The economic entity’s land and buildings leased to third parties have been classified as Investment Property and land and buildings occupied by the economic entity have been classified as Property, Plant and Equipment. The following estimated useful lives are used in the calculation of depreciation. Buildings: 20 – 40 years and Plant and Equipment 4 - 8 years.

(C) Investment Property

Investment properties are held for long term rental yields and are not used by the consolidated entity. Investment property purchased before 1998 are carried at fair value re the directors 1998 valuation (deemed cost), while the remainder is carried at cost. The policy of the company is to review its valuations of land and buildings annually. There has also been no capital gains tax taken into account in determining revalued amounts.

(D) Inventories

All entities in the economic entity have:

(i) Valued stocks at the lower of cost and net realisable value

(ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and

(iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(E) Research and Development Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(F) Employee Entitlements

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.
Provisions made in respect of annual leave and long service leave, expected to be settled within 12 months and after 12 months are measured at their nominal values plus related on costs.

(G) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity and classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated to the reduction of the lease liability. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The Economic Entity as a landlord adopts general commercial lease terms and conditions. The rents charged are based on market rates and include market reviews at the time of option or renewal of lease.

(H) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(I) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(J) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amounts where the carrying value of any non-current assets exceeds recoverable amounts. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

Investments in subsidiary companies are valued at cost although in the case of one subsidiary the net assets are less than the company's investment. The Directors have written down this investment as they believe there is a permanent diminution in value.

(K) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(L) Principles of Consolidation

The consolidated accounts comprise the accounts of Sietel Limited and all of its controlled entities. A controlled entity is any entity controlled by Sietel Limited. Control exists where Sietel Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Sietel Limited to achieve the objectives of Sietel Limited. A list of controlled entities is contained in Note 27 to the financial statements.

All intercompany balances and transactions between entities in the economic entity, including any unrealised profit or losses, have been eliminated on consolidation.

(M) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

The core principle of AASB15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those good or service. Revenue is recognised by applying a five-step model as follows:

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

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Sale of Goods

Revenue from the sale of goods is recognised upon the deliver and invoicing of goods to customers.

Rendering of Services

Revenue from rendering of service is recognised upon delivery and invoicing of the service to the customers.

Other income

Revenue from rent, interest revenue & dividend revenue is recognised on invoice date, when accrued and at ex-dividend date respectively.

(N) Provision for Warranties

Provision is made in respect of the economic entity's estimated liability on products under warranty at balance date.

(O) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities 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.

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.

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 income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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.

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 consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Sietel Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from October 1, 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(P) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.
Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(Q) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(R) Financial Instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit and loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Impairment of financial assets
Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables
Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost
Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities
The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

(S) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates - Impairment
The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Calculations performed in assessing impairment include changes in market value, changes in asset use and other factors outside of the Entity’s control. Insurance recoveries are not considered part of impairment.

(T) Discontinued Operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of such a line of business or operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income and the assets and liabilities are presented separately on the face of the statement of financial position.

Note 2 PARENT INFORMATION

The following information, extracted from the books of the parent, has been prepared in accordance with accounting standards.

STATEMENT OF FINANCIAL POSITION

	Chief Entity	
	2019	**2018**
	$	**$**
ASSETS		
Current Assets	6,532,084	5,696,828
TOTAL ASSETS	**79,128,867**	**74,494,616**
LIABILITIES		
Current Liabilities	1,556,594	1,492,804
TOTAL LIABILITIES	**3,730,067**	**2,993,041**
EQUITY		
Issued Capital	4,257,129	4,257,129
Reserves	8,576,446	6,850,566
Retained Earnings	62,565,225	60,393,880
TOTAL EQUITY	**75,398,800**	**71,501,575**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total Profit	2,178,845	1,900,261
TOTAL COMPREHENSIVE INCOME	**3,897,224**	**3,772,184**

Guarantees

Sietel Ltd has not entered into any guarantees, in the current or previous financial year in relation to the debts of its subsidiaries, except as disclosed in Note 22.

Contingent Liabilities

As at 30 September 2019, Sietel Ltd did not have any contingent liabilities. (2018: None)

Contractual Commitments

At 30 September 2019 Sietel Ltd had contractual commitments totalling $119,800 (2018: $183,521). See Note 16 for details.

	Economic Entity	
	2019	**2018**
	$	**$**
Note 3 CURRENT RECEIVABLES		
Trade receivables	1,133,668	821,971
Provision for doubtful debts	(35,000)	(35,000)
	1,098,668	786,971
Other receivables	47,324	113,748
	1,145,992	900,719
Trade Receivables Summary*		
Amounts due	136,885	264,104
Amounts not yet due	996,783	557,867
	1,133,668	821,971

*Please note that not all customers are offered the same credit terms. Credit terms range from 0 to 60 days.

Note 4 CURRENT INVENTORIES		
Raw materials	101,235	111,372
Work in progress	875,756	414,554
Finished goods	32,166	42,754
Stock in transit	-	624
	1,009,157	569,304
Note 5 OTHER CURRENT ASSETS		
Tenant bonds – Fixed deposits	348,997	318,041
Prepayments	69,856	48,353
	418,853	366,394
Note 6 CURRENT TAX RECEIVABLES		
Current tax receivables	316,135	319,312
	316,135	319,312
Note 7 NON-CURRENT FINANCIAL ASSETS		
Financial assets measured at fair value through other comprehensive income		
- Listed Shares (at market value)	32,767,767	30,514,111
- Unlisted Investments	1,752,304	1,445,968
	34,520,071	31,960,079

Note 8 PROPERTY PLANT AND EQUIPMENT *

	Economic Entity 2019 $	Economic Entity 2018 $
Plant and Equipment at cost	4,242,153	4,228,099
Less Accumulated depreciation	(3,824,706)	(3,554,702)
Total Plant and Equipment	417,447	673,397
Property		
Land at Cost	1,273,568	1,273,568
Total Land	1,273,568	1,273,568
Buildings at Cost	415,491	415,491
Building Additions at Cost	907,909	907,909
Less Accumulated depreciation	(609,381)	(556,446)
Total Buildings	714,019	766,954
Total Property	1,987,587	2,040,522
Total Property Plant and Equipment	2,405,034	2,713,919

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year 2019. The term 'P&E' refers to plant and equipment.

Economic Entity	Land ($)	Buildings ($)	P&E ($)	Leased P&E($)	Total ($)
Balance at 1 October 2018	1,273,568	766,954	673,397	-	2,713,919
Additions	-	-	14,055	-	14,055
Depreciation expense	-	(52,935)	(270,005)	-	(322,940)
Disposals	-	-	-	-	-
Balance at 30 September 2019	1,273,568	714,019	417,447	-	2,405,034

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous year 2018. The term 'P&E' refers to plant and equipment.

Economic Entity	Land ($)	Buildings ($)	P&E ($)	Leased P&E($)	Total ($)
Balance at 1 October 2017	1,273,568	819,890	623,565	-	2,717,023
Additions	-	-	428,127	-	428,127
Depreciation expense	-	(52,936)	(292,417)	-	(345,353)
Disposals	-	-	(85,878)	-	(85,878)
Balance at 30 September 2018	1,273,568	766,954	673,397	-	2,713,919

Note 9 INVESTMENT PROPERTY *

	Economic Entity 2019 $	Economic Entity 2018 $
Property		
Land at Directors Valuation 1998 (Deemed cost)	3,702,937	3,702,937
Land at Cost	12,861,318	11,631,318
Total Land	16,564,255	15,334,255
Buildings at Directors Valuation 1998 (Deemed cost)	1,989,750	1,989,750
Buildings at Cost	24,441,883	21,326,414
Building Additions at Cost	756,375	3,115,469
Less Accumulated depreciation	(10,930,997)	(9,863,980)
Total Buildings	16,257,011	16,567,653
Total Investment Property	32,821,266	31,901,908
Movement in the carrying amounts for investment property:		
Opening Balance	31,901,908	25,392,509
Additions	1,986,374	7,515,469
Depreciation expense	(1,067,016)	(1,006,070)
Sales	-	-
Disposals	-	-
Closing Balance	32,821,266	31,901,908

*** Note 8 & 9 PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTY**
The Directors have reviewed and established a market value of all properties, including investment properties. Valuations adopted include reference to recently signed leases, research from commercial real estate agencies, the discounted cash flow and income capitalisation methodologies, as well as information received from real estate agents and recent sales information.

Valuation year end 2019		$60,750,000
WD Book Value as at 30 September 2019		
Note 8: Land and Buildings	$1,987,587	
Note 9: Investment Property	$32,821,266	$34,808,853
Unrealised Net Gain		$25,941,147
Applicable Capital Gains tax at 27.5%		$7,133,815

	Economic Entity 2019 $	Economic Entity 2018 $
Note 10 CURRENT ACCOUNTS PAYABLE		
Unsecured :		
Trade Creditors	675,065	442,550
Sundry Creditors	454,187	438,023
	1,129,252	880,573
Note 11 OTHER LIABILITIES		
Tenant bonds	364,254	333,298
	364,254	333,298

Note 12 CURRENT PROVISIONS

	Annual Leave ($)	Long Service Leave ($)	Directors' Fees ($)	Provision for Warranty ($)	Total ($)
Opening Balance at 1 Oct 2018	678,034	207,770	121,000	65,000	1,071,804
Additional provisions	173,331	29,849	-	-	203,180
Amounts used	(142,712)	-	-	-	(142,712)
Amounts paid out on resignation	(3,247)	-	-	-	(3,247)
Amounts transferred out	-	(497)	-	-	(497)
Balance at 30 September 2019	705,406	237,122	121,000	65,000	1,128,528

	Economic Entity 2019 $	Economic Entity 2018 $
Note 13 REVENUE		
Operating:		
Sales Revenue	5,583,402	3,058,766
Dividends		
- Other Corporations	1,755,707	1,391,243
Interest Received		
- Other Corporations	38,153	98,919
Rent Revenue		
- Other Corporations	3,394,444	3,285,806
Other Revenue	516,825	441,686
	11,288,531	8,276,420
Non Operating:		
Gain on disposal		
- Property, plant and equipment	-	3,500
- Insurance Payout	-	200,000
- Investments	207,799	233,090
	207,799	436,590
Total Revenue	11,496,330	8,713,010
Other Comprehensive Income or Loss		
Net gain/(loss) on revaluation of financial assets measured at fair value through other comprehensive income	861,707	1,878,093
Other comprehensive income/(loss) for the year	861,707	1,878,093

	Economic Entity 2019 $	Economic Entity 2018 $
Note 14 EXPENSES		
(a) Operating profit before income tax has been determined after:		
Cost of goods sold	3,871,989	2,102,020
Overheads	4,625,826	4,139,652
Administration expenses	1,075,488	1,215,110
Selling expenses	31,277	63,039
Loss of disposal of investments	-	-
Bad debts and other	-	-
Total other expense	9,604,580	7,519,821
Impairment of available for sale financial assets*:		
Impairment Loss	-	107,800

*Note: Unrealised losses on available for sale financial assets are impaired through P&L once their carrying amount has dropped below cost. Any subsequent reversal of that unrealised loss is taken back through equity.

	2019 $	2018 $
Depreciation included above:		
- Buildings	52,935	52,936
- Plant and equipment owned	270,005	292,417
- Investment properties	1,067,016	1,006,070
	1,389,956	1,351,423
Employee benefits included above:		
- Short term benefits	2,645,053	2,089,965
- Post-employment benefits	273,727	231,572
	2,918,780	2,321,537
(b) Finance costs/(borrowings):		
- Interest paid		
Other corporations	-	-
Finance leases	-	-
	-	-
(c) Net transfers to/(from) provisions for:		
- Employee entitlements	(142,712)	(140,995)
(d) Research and Development Costs	275,697	250,942
(e) Costs in relation to the holding of rental properties:		
- Council rates	168,076	132,353
- Congestion levy	12,240	12,000
- Water rates	44,497	50,118
- Insurance	152,279	91,296
- Land tax	811,777	590,400
- Repairs & maintenance	146,229	183,963
- Other	121,369	87,261
	1,456,467	1,147,391

	Economic Entity 2019 $	2018 $
Note 15 AUDITORS REMUNERATION		
Amount received or due and receivable by the Chief Entity Auditors for:		
- Audit and Review	51,500	49,350
- Other services	-	-
	51,500	49,350
Note 16 CAPITAL AND LEASING COMMITMENTS		
Finance Leasing Commitments		
Total finance lease liability	-	-
Capital Commitments		
- Less than 1 year		
Managed investment fund – OneVentures Innovation and Growth Fund II	80,957	120,300
Managed investment fund – OneVentures Nominees Vaxxas Bare Trust - B	38,843	63,221
Managed investment fund – OneVentures Fund	429,968	498,383
- Longer than 1 year, not longer than 5 years	-	-
- Longer than 5 years	-	-
	549,768	681,904
Note 17 GOODWILL		
Opening balance	-	-
Acquired through business combination	-	-
Impairment loss recognised	-	-
Closing balance	-	-
Note 18 INCOME TAX EXPENSE		
a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows:		
Continuing profit (loss) before income tax	1,891,750	1,085,389
Prima Facie income tax expense/(refund) applicable to Operating Profit/(loss) at 27.5% (2018: 27.5%)	520,231	298,482
Add/Deduct tax effect of:		
Amounts not depreciable for tax	42,016	42,150
Legal Expenses	-	-
Research and Development Expenditure	(44,112)	(40,151)
Impairment loss on available for sale financial assets	-	29,645
Impairment of goodwill	-	-
Tax offsets/rebates	(511,546)	(400,864)
Timing differences	-	-
Reclassification of brought forward differences and over provision for tax in previous years	(109,268)	(75,201)
Tax losses which do not offset the consolidated group	(542)	(2,749)
Income Tax Expense per Accounts	(103,221)	(148,688)
Income tax expense related to continuing operations	(103,221)	(148,688)
The applicable weighted average effective tax rates	(5%)	(14%)
Adjusted Franking Account Balance	18,155,530	17,459,309
Note 19 DEFERRED TAX ASSETS		
Deferred Tax Assets	958,655	847,020
	958,655	847,020
Note 20 DEFERRED TAX LIABILITES		
Deferred Tax Liabilities	1,863,443	1,512,083
	1,863,443	1,512,083
Note 21 CURRENT TAX LIABILITIES		
Current – Income Tax	-	-
	-	-

	Economic Entity 2019 $	Economic Entity 2018 $
Note 22 RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.		
(a) Transactions with directors and director-related entities -		
- Legal fees are paid to a firm of which Mr. G. Rees is an employee for legal services	24,242	86,267
- Insurance payout to Mr R. Rees following trauma claim	-	200,000
- Mrs H. J. Rees (Spouse, Mr R. Rees) salary including superannuation	72,299	75,168
- Directors of entities within the economic entity are able to receive goods and services at discounted prices and participate in field testing of new products.		
(b) Controlling entities		
Guarantees and indemnities given by chief entity to controlled entity's banker for facilities.		
- Cooks Body Works Pty Ltd	50,000	50,000
Note 23 DIVIDENDS		
Paid		
Unfranked preference dividend of 5 (2018: 5) cents per share	3,750	3,750
Unfranked preference dividend of 5 (2018: 5) cents per share	3,750	3,750
	7,500	7,500
Declared		
Unfranked preference dividend of 5 (2018: 5) cents per share	3,750	3,750
Cumulative preference dividend in arrears at 30 September	-	-
Note 24 KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits	680,662	680,662
Post-employment benefits	60,988	60,988
	741,650	741,650

For details of the remuneration paid to individual key management personnel, please refer to the remuneration report on page 4.

Note 25 ISSUED CAPITAL	Economic Entity 2019 $	Economic Entity 2018 $
Issued and Paid Up Capital 8,007,479 Ordinary Shares fully Paid (2018: 8,007,479)	4,107,129	4,107,129
75,000 Preference Shares 5% Cumulative fully paid (2018: 75,000)	150,000	150,000
	4,257,129	4,257,129

The directors of the chief entity have no current plans to alter the capital structure of the business in the foreseeable future. Sietel Limited is not subject to any externally imposed capital requirements and currently has no debt obligations.

Movements in Ordinary Shares	**2019 (No.)**	**2018 (No.)**
Opening Balance	8,007,479	8,007,479
Shares Issued	-	-
Closing Balance	8,007,479	8,007,479

Under the Company's Constitution Ordinary Shareholders are entitled to one vote per share, Preference Shareholders are entitled to a vote of four (4) votes for each share at the meeting if dividends are in arrears.

Note 26 SUPERANNUATION COMMITMENTS

Sietel Ltd, Cook's Body Works Pty Ltd, Alliance Appliances Australia and The Cylinder Company Pty Ltd each pay the employer's contribution required by the Superannuation Guarantee Charge Act and any further salary sacrifice amounts or employee contributions, if instructed, to complying superannuation funds as selected by their employees.

The amount and time of payment of benefits by these various superannuation funds will be in accordance with the terms and conditions negotiated by each individual employee and are not guaranteed in any way by the company or its subsidiaries.

The relevant company has a legal obligation to contribute to these superannuation funds in accordance with relevant requirements of the Superannuation Guarantee legislation.

Note 27 CONTROLLED ENTITIES AND SEGMENT REPORTING
(a) Entities controlled by ultimate parent entity Sietel Ltd and contribution to Consolidated Profit(Loss)

Name of Controlled Entity of Sietel Limited	Beneficially Owned by Sietel Ltd		Contribution to consolidated operating Profit/(loss) after income tax attributable to members of the chief entity		Investment by Sietel Ltd at cost	
	2019	2018	2019	2018	2019	2018
	%	%	$	$	$	$
Continuing operations						
Cooks Body Works Pty Ltd[(1)]	100	100	63,708	(450,126)	290,000	290,000
The Cylinder Co Pty Ltd[(1)]	100	100	1,092	(1,254)	60	60
ABN 17 006 852 820 Pty Ltd[(1)]	100	100	(690)	(3,079)	481,713	481,713
Alliance Appliances Australia P/L[(1)]	100	100	(247,984)	(211,724)	237,000	237,000
Sietel Limited[(1)]	N/A	N/A	2,178,845	1,900,260	-	-
Total			1,994,971	1,234,077	1,008,773	1,008,773

[(1)]Companies incorporated in Australia.

(b) Segment Reporting

	Revenue		Results		Assets		Liabilities		Depreciation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Continuing operations										
Investments	5,903	5,643	2,179	1,897	72,050	68,154	3,452	3,041	1,294	1,252
Operations	5,593	3,070	(184)	(663)	3,224	3,583	1,033	757	96	99
TOTAL	11,496	8,713	1,995	1,234	75,274	71,737	4,485	3,798	1,390	1,351

	Economic Entity	
	2019	**2018**
	$	$
Note 28 NOTES TO THE STATEMENT OF CASH FLOWS		
(i) Reconciliation of Cash		
For the purpose of the statement of cash flows cash includes:		
(a) Cash on hand and at call deposits with banks or financial institutions		
(b) Investments in money market instruments with less than 60 days to maturity		
Cash at the end of the year is shown in the statement of financial position as:		
Cash on hand	1,678,848	2,158,459
Bank overdrafts	-	-
	1,678,848	2,158,459
(ii) Reconciliation of cash flows from operations with Operating Profit after Income Tax		
Operating Profit after Income Tax	1,994,971	1,234,077
Non-cash flows in operating profit after income tax		
Depreciation	1,389,956	1,351,423
Impairment of available for sale financial assets	-	107,800
Write of Vehicle	-	76,661
(Profit)/Loss on sale of plant and equipment	-	(3,500)
(Profit)/Loss on sale of investments	(207,799)	(233,090)
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	(245,273)	(234,536)
(Increase)/Decrease in other current assets	(52,459)	(33,210)
(Increase)/Decrease in inventories	(439,853)	(233,308)
Increase/(Decrease) in provisions	56,724	13,348
Increase/(Decrease) in trade creditors and other payables	279,636	354,157
(Increase)/Decrease in deferred tax assets	(99,809)	(63,941)
Increase/(Decrease) in deferred tax liabilities	(5,913)	(5,112)
Increase/(Decrease) in tax payable	3,177	(389,631)
Net cash provided by operating activities	2,673,358	1,941,138

	2019	2018
Note 29 EARNINGS PER SHARE		
Basic earnings per share (cents per share)	24.91	15.41
Diluted earnings per share (cents per share)	24.68	15.27
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	8,007,479	8,007,479

$$\text{Basic EPS} = \frac{\text{Profit/(loss) for the period}}{\text{No. Of ordinary securities}} = \frac{1,994,971}{8,007,479} = 24.91¢$$

$$\text{Diluted EPS} = \frac{\text{Profit/(loss) for the period}}{\text{No. Of ordinary securities + Preference securities}} = \frac{1,994,971}{8,007,479+75,000} = 24.68¢$$

Note 30 FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

The group's financial instruments consist mainly of deposits with banks, local money market instruments, available for sale financial assets, accounts receivable and payable and preference shares.

(b) Interest Rate Risk

The following details the group's exposure to interest rate risk as at the reporting date.

	Economic Entity			
	2019 Average Interest Rate (%)	**2019 Total ($)**	**2018 Average Interest Rate (%)**	**2018 Total ($)**
Financial Assets				
Cash	0.82	1,678,848	1.81	2,158,459

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The company's policy is to manage its interest risk using floating interest rates and interest cap rates based on the bank bill rate.

At 30 September 2019, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows for interest revenue.

	Economic Entity	
	2019 $	**2018** $
Change in profit		
- Increase in interest rate by 1%	23,461	51,125
- Decrease in interest rate by 1%	(15,335)	(45,627)
Change in equity		
- Increase in interest rate by 1%	23,461	51,125
- Decrease in interest rate by 1%	(15,335)	(45,627)

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

(d) Market risk

The following details the group's exposure to market risk as at the reporting date.

	2019 Total $	**2018 Total** $
Financial Assets		
Financial assets measured at fair value through other comprehensive income	34,520,071	31,960,079
	34,520,071	31,960,079

The group has performed sensitivity analysis relating to its exposure to market risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Note 30 FINANCIAL INSTRUMENTS (CONTINUED)

At 30 September 2019, the effect on profit and equity as a result of changes in the market index, with all other variables remaining constant would be as follows for asset values.

	2019 $	2018 $
Change in profit		
- Increase in index by 10%	3,928	18,467
- Decrease in index by 10%	(93,052)	(371,659)
Change in equity		
- Increase in index by 10%	2,400,532	2,241,725
- Decrease in index by 10%	(2,467,483)	(2,436,894)

(e) Liquidity risk
Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debt or otherwise meeting its obligations related to its financial liabilities. The group's low borrowings $0 (2018 $0), greatly reduces the liquidity risk faced by the entity.

(f) Net Fair Value
The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

Note 31 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

The table below breaks down which category each asset measured at fair value is grouped into based on the following criteria:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

	2019 Total $	2018 Total $
Financial Assets		
Assets available for sale		
Level 1	32,767,767	30,514,111
Level 2	1,752,304	1,445,968
Level 3	-	-
	34,520,071	31,960,079

Note 32 FAIR VALUE MEASUREMENT OF UNLISTED INVESTMENTS

Management have undertaken a review of the unlisted investments held by group companies as at 30 September 2019. Unlisted investments which relate to start up or early development companies which have a relatively high risk of failure and provide only limited financial information have been assigned as nil.

The original cost of these investments held at balance date is $1,288,173. Unlisted investments which are managed by an experienced fund manager have been valued in accordance with written advice from the applicable manager. As such, the fair value of unlisted investments held at 30 September 2019 is $1,752,304 (2018 $1,445,968).

Note 33 MARKET VALUE OF LISTED INVESTMENTS

The table below breaks down the top fifteen listed investments held by the group as at 30 September 2019:

COMPANY	RANKING	MARKET VALUE
Commonwealth Bank of Australia	1	5,440,425
BHP Limited	2	3,240,834
National Australia Bank	3	3,037,568
ANZ Banking Group	4	2,419,722
Westpac Banking Corp	5	2,212,211
Rio Tinto Limited	6	1,744,327
Reece Australia Limited	7	1,577,664
CSL Limited	8	1,315,675
Woolworths Limited	9	1,262,487
Wesfarmers Limited	10	1,247,611
Woodside Petroleum Limited	11	662,786
Magellan Financial Group	12	441,818
IShares Core S&P500	13	424,825
Lendlease Group	14	347,214
Macquarie Group Limited	15	315,772
TOTAL		**25,690,939**

Note 34 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 16: Leases (applicable for annual reporting periods commencing on or after 30 June 2020).

AASB 16 will cause the majority of leases of an entity to be brought onto the statements of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.

A corresponding right to use assets will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.

When AASB 16 is first adopted for the year ending 30 September 2020, there will be no impact on the financial statements as the Company does not have any operating leases.

STATEMENT IN COMPLIANCE WITH THE AUSTRALIAN SECURITIES EXCHANGE LISTING REQUIREMENTS

DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 30 SEPTEMBER 2019 & 31 OCTOBER 2019

Director	**Direct Interest**	**Direct Interest**	**Direct Interest**	**Indirect Interest**	**Indirect Interest**	**Indirect Interest**
	Oct 2019	**Sep 2019**	**Sep 2018**	**Oct 2019**	**Sep 2019**	**Sep 2018**
D. G. Rees	68,961	68,961	66,211	5,310,694	5,310,694	5,310,694
R. Rees	536,682	536,682	533,932	6,115,847	6,115,847	6,112,339
G. Rees	2,000	2,000	2,000	4,594,063	4,594,063	4,594,063

Substantial Shareholders
In addition, Triple Two Investments Pty Ltd, Lyntina Pty Ltd, Siderfin Holdings Pty Ltd, Delvest Pty Ltd, Merben Pty Ltd and The Three Pumpkins Pty Ltd. of Suite 3, 15 Tintern Avenue Toorak are shown in the Substantial Shareholder Register as holding 2,323,374; 808,776; 684,395; 692,187; 650,865 and 560,000 Ordinary shares respectively.

20 Largest Shareholders at October 31, 2019

The twenty largest Ordinary Shareholders of the Company held 7,083,247 Ordinary Shares representing 88% of the voting shares of the Company. The twenty largest Preference Shareholders of the Company held 73,666 Preference Shares which attract votes on the basis of four for each $2 Preference Share held while there are dividends in arrears.

List of the twenty largest Shareholders for each class of Shares have been supplied to the Australian Securities Exchange Ltd.

Directors

There were no loans to any Chief Entity Directors during the financial year nor do any loans to Directors of the Chief Entity exist. The Company has not entered into any service agreement with any Director or with a Company in which a Director has a direct or indirect interest, except for a service and option agreement with the Managing Director. There is no contingent liability or termination under this agreement.

Distribution of Shareholding as at October 31, 2019

Number of Shareholders		**Number of Shares Held**
Ord	Pref	
121	25	**Up to 250**
99	4	**251 to 500**
48	0	**501 to 1,000**
148	1	**1,001 to 5,000**
15	3	**5,001 to 10,000**
38	3	**10,001 and over**

The number of shareholders holding less than marketable parcels is: 5 Ordinary
34 Preference

Security Holders Privacy Statement

Information about our privacy policy can be found at http://www.boardroomlimited.com.au/privacy.html
Or you can contact us by:

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Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
Website: www.boardroomlimited.com.au; Share Enquiries
Email: privacyofficer@boardroomlimited.com.au