

# Gold Coast business: Smiles Inclusive releases FY20 half-year results nearly eight months after they were due to be announced

**UPDATE: Smiles Inclusive has finally announced its half-year results - close to eight months after they were due to be released. Read what the auditor had to say about the business.**

Alister Thomson, Business Editor, Gold Coast Bulletin  
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GOLD Coast-based dental group Smiles Inclusive has finally announced its half-year results for FY20 close to eight months after they were due to be released.

The results showed a net statutory loss of \$13.6 million for the six months to December 31 - up from a \$1.6 million loss for the previous period.

Included in the loss were non-cash items including impairment of goodwill, property, plant and equipment totalling \$5.5 million.

Auditor KPMG refused to issue a conclusion on the report because it was not able to gather sufficient evidence to support assumptions upon which Smiles claimed to be a going concern.



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KPMG said these assumptions included Smiles flagging potential financiers to fund the repayment of its NAB facility and raise additional working

capital.

“A binding written agreement regarding the quantum, timing, terms and conditions of this arrangement was not available to us,” KPMG said.

“Additionally, evidence regarding the ability of the potential financiers to honour the commitment, in the timeframes required by the Group was not available to us.

“Accordingly, we consider to not have gathered sufficient appropriate evidence regarding the implications of this on whether the going concern basis of preparation is appropriate.”

Smiles said it was in advanced negotiations with potential funders to repay NAB \$12 million plus credit card and other expenses by November 3 - a deadline six days earlier than previously announced.

KPMG also raised concerns about a proposed rights issue where Smiles was seeking to raise \$8 million (\$7.6 million net of fees) to pay back NAB.

It referred to ASIC’s move to prevent Smiles issuing a prospectus for its capital raising without offering potential investors comprehensive information on its financial position.

KPMG said there uncertainty on whether Smiles could successfully raise the minimum amount of funds to complete the capital raising.