United Lifestyle Group Networks Pty Ltd

ABN 35 139 763 830

Financial Statements

For the Year ended 30 June 2014

United Lifestyle Group Networks Pty Ltd

Annual Report
for the Year Ended 30 June 2014

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United Lifestyle Group Networks Pty Ltd
ABN 35 139 763 830
Directors' Declaration
for the Year Ended 30 June 2014

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes for the year ended 30 June 2014 are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards as stated in Note 1; and

    b. give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Anthony Ghattas
Director

Nicholas Ghattas
Director

Dated this...27...day of...OCTOBER... 2016

ROTHSAY

CHARTERED ACCOUNTANTS

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

As auditor of United Lifestyle Group Networks Pty Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Frank Vrachas
Partner

Rothsay Chartered Accountants

Sydney, 27 October 2016

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United Lifestyle Group Networks Pty Ltd

ABN 35 139 763 830

Trading, Profit and Loss Statement

For the Year ended 30 June 2014

	2014 $
Income	
Sales - Billing	1,814,121
Sales - Product	88,642
Sales - Amex, M/Card & Visa	54,760
	1,957,523
Less Cost of Goods Sold	
Opening Stock	87,269
Other Purchases	148,149
Freight & Storage Costs	37,071
Billing - Wholesale	1,244,504
Billing - Other Costs	37,880
	1,554,873
Closing Stock	122,685
	1,432,188
Gross Profit from Trading	525,335
Expenditure	
Accountancy Fees	2,931
Advertising	11,194
Bad Debts Written Off	1,500
Bank Charges	3,145
Commission Paid	18,127
Contract Fees	227,539
Computer Expenses	57,721
Cleaning Costs	6,081
Client Expenses	5,083
Credit Card Fees	79,389
Depreciation	25,446
Electricity	7,149
Events	1,123
Entertainment Expenses	6,989
Freight & Cartage	387
Gas / Water	221
Insurance	14,894
Interest Paid	1,565
International Sim Costs	43,588
Late Fees	605
Leasing Charges	10,971
Legal Costs	20,569
Licensing Fees	206,389
Management Fees	35,061
Marketing Expenses	73,988
Motor Vehicle Expenses	33,101
Office Supplies	7,203
Postage	1,420
Palmer St Outgoing	3,601
Professional Fees	64,413
Rent	50,549
Repairs & Maintenance	567

The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached.

United Lifestyle Group Networks Pty Ltd
ABN 35 139 763 830
Trading, Profit and Loss Statement
For the Year ended 30 June 2014

	2014
	$
Security - Alarm System	322
Staff Amenities	17,002
Staff Training & Welfare	2,471
Subscriptions	6,112
Superannuation Contributions	66,335
Telephone & Internet	47,557
Travelling Expenses	52,165
Wages	459,141
Web Development	2,371
	1,675,985
Other Income	
Commissions Received	114,452
Professional Fees	74,895
Consulting Service	405,975
Interest Received	400
	595,722
Loss before Income Tax	(554,928)
Income Tax Benefit	346,368
Loss after Income Tax	(208,560)

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached .

United Lifestyle Group Networks Pty Ltd
ABN 35 139 763 830
Balance Sheet
As at 30 June 2014

	Note	2014 $
Current Assets		
Cash and Cash Equivalents	6	365,984
Trade and Other Receivables	7	837,473
Inventories	8	122,685
Other Current Assets		14,643
Total Current Assets		1,340,785
Non-Current Assets		
Financial Assets	9	30,000
Property, Plant, Equipment and Intangibles	11	314,365
Deferred Tax Assets	10	346,368
Total Non-Current Assets		690,733
Total Assets		2,031,518
Current Liabilities		
Trade and Other Payables	12	785,347
Financial Liabilities	13	1,981,671
Short Term Provisions	14	16,327
Total Current Liabilities		2,783,345
Non-Current Liabilities		
Financial Liabilities	13	37,077
Total Non-Current Liabilities		37,077
Total Liabilities		2,820,422
Net Assets		(788,904)
Equity		
Issued Capital	15	120
Accumulated Losses		(789,024)
Total Equity		(788,904)

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.

United Lifestyle Group Networks Pty Ltd
Notes to the Financial Statements
For the Year ended 30th June 2014

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1. **Summary of Significant Accounting Policies**

(a) **Basis of Preparation**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.
Bank overdrafts also form part of cash equivalents and presented within current liabilities on the balance sheet.

(c) **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(d) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(e) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets excluding freehold land, are depreciated over their useful lives to the company.
Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

(f) **Income Tax**

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(g) **Inventories**
Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received.

(h) **Leases**

Finance Leases
Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

(i) **Revenue and Other Income**
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 entity 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.
All revenue is stated net of the amount of goods and services tax (GST).

Sale of Goods
Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest Revenue
Interest is recognised using the effective interest method.

Rendering of Services
Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

(j) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

United Lifestyle Group Networks Pty Ltd
Notes to the Financial Statements
For the Year ended 30th June 2014

	2014 $
2. Revenue	
Sales Revenue	
Sale of Goods	1,957,523
Rendering Services	595,322
	2,552,845
Other Income	
Interest Received	400
	400
	2,553,245

	2014 $
3. Expenses	
Increase in Inventories of Finished Goods or WIP	(35,416)
Raw Materials, Purchases and Consumables Used	1,467,604
Employee Benefits Expense	525,476
Depreciation and Amortisation	25,446
Advertising	11,194
Bank Charges	3,145
Freight & Cartage	387
Insurance	14,894
Management Fees	35,061
Postage	1,420
Rent	50,549
Repairs & Maintenance	567
Telephone & Internet	47,557
Other Expenses	958,724
	3,106,608

	2014 $
4. Finance Costs	
Interest Paid	
- Other Persons/Corporations	1,565
	1,565

5. Profit for the Year

Profit before income tax expense from continuing operations includes the following specific expenses:

	2014 $
Charging as Expense	
Cost of Goods Sold	1,432,188
Finance Costs	1,565
Finance Lease Charges	10,971

	2014 $
Movements in Provisions	
Depreciation	
- Depreciation of Property, Plant and Equipment	25,446
Net Expenses Resulting from Movement in Provisions	25,446
Bad & Doubtful Debts:-	
- Bad debts written off	1,500
	1,500

6. Cash and Cash Equivalents

Bank Guarantee	50,855
Deposits	141,828
Cash at CBA	121,814
Cash at Westpac	39,747
Commonwealth Bank Saver	11,740
	365,984

7. Trade and Other Receivables

Current	
Trade Debtors	839,024
Less Provision for Doubtful Debts	(17,924)
Loans to Employees	884
Provision for GST	15,489
	837,473
Total Trade and Other Receivables	837,473

8. Inventories

Current	
Stock on Hand	122,685
	122,685
Total Inventories	122,685

9. Financial Assets

Non-Current	
Investments	30,000
	30,000
Total Financial Assets	30,000

United Lifestyle Group Networks Pty Ltd
Notes to the Financial Statements
For the Year ended 30th June 2014

	2014 $
10. Tax Assets and Liabilities	
Non-Current	
Assets	
Deferred Tax Asset	346,368
	346,368
Net Tax Assets	(346,368)
11. Property, Plant, Equipment and Intangibles	
Furniture & Fittings	1,318
Less Accumulated Depreciation & Impairment	539
	779
Plant & Equipment	9,899
Less Accumulated Depreciation & Impairment	2,926
	6,973
Software	89,670
Less Accumulated Amortisation	57,608
	32,062
Computer Equipment at Cost	32,219
Less Accumulated Depreciation & Impairment	20,940
	11,279
Web Development at Cost	263,326
Less Accumulated Depreciation & Impairment	54
	263,272
Total Property, Plant, Equipment and Intangibles	314,365
12. Trade and Other Payables	
Current	
Trade Creditors	764,276
PAYGW Payable	21,071
Total Trade and Other Payables	785,347

United Lifestyle Group Networks Pty Ltd
Notes to the Financial Statements
For the Year ended 30th June 2014

	2014 $
13. **Financial Liabilities**	
Current	
Loans – Related Party Loans	1,981,671
	1,981,671
Non-Current	
Loans - Unsecured	
Loan - Director	37,077
	37,077
Total Financial Liabilities	2,018,748
14. **Provisions**	
Current	
Provision for Superannuation	16,327
Total Provisions	16,327
15. **Contributed Equity**	
Issued Capital	
120 Ordinary Shares Issued at $1 Each, Fully Paid	120
	120

These notes should be read in conjunction with the attached Compilation Report.

INDEPENDENT AUDITOR'S REPORT

To the members of United Lifestyle Group Networks Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report of United Lifestyle Group Networks Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of United Lifestyle Group Networks Pty Ltd, would be the same terms if given to the directors as at the time of this auditor's report.

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Opinion

In our opinion the financial report of United Lifestyle Group Networks Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Rothsay Chartered Accountants

Frank Vrachas
Partner

Sydney, 27 October 2016