



MADER QUEENSLAND PTY LTD

FINANCIAL REPORT

FOR THE PERIOD FROM
26 FEBRUARY 2016 TO 30 JUNE 2017

MADER QUEENSLAND PTY LTD

CONTENTS

DIRECTORS REPORT	3
DIRECTORS DECLARATION.....	5
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION.....	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS.....	10
INDEPENDENT AUDIT REPORT	22

MADER QUEENSLAND PTY LTD DIRECTORS REPORT

Your Directors present their report on the company for the period from 26 February 2016 to 30 June 2017. The names of the directors in office at any time during or since the end of the year are:

Luke Mader

Craig Burton

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Operating Results

The loss of the company for the period from 26 February 2016 to 30 June 2017 after providing for income tax amounted to \$1,043,926.

Principle Activities

The principal activities of the company during the period were provision of labour hire and maintenance services to the mining sector.

After Balance Date Events

Matters or circumstances that have arisen during or since the end of the period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company within future financial years.

- New debtor finance facilities of \$4,000,000 signed with NAB 11 July 2018 but executed 12 July 2018.
- New master asset finance facility of \$6,000,000 signed with NAB 9 July 2018 but executed 12 July 2018.

Future Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

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

Options

No options over issued shares or interests in the company were granted during or since the end of period, for any person who is or has been an officer or auditor of the company.

Proceedings on behalf of Company

No person has applied for leave of Court to bring 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 of any such proceedings during the period.

**MADER QUEENSLAND PTY LTD
DIRECTORS REPORT**

Indemnifying Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Patrick Conway
Director

Dated this 27th day of May 2019

**MADER QUEENSLAND PTY LTD
DIRECTORS' DECLARATION**

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, as set out on pages 6 to 21, present fairly the company's financial position as at 30 June 2017 and its performance for the period from 26 February 2016 to 30 June 2017 in accordance with the accounting policies described in Note 1 to the financial statement.
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.



Patrick Conway
Director

Dated this 27th day of May 2019

MADER QUEENSLAND PTY LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017

	NOTE	26 February 2016 to 30 June 2017 \$
Revenue	2	4,688,578
Cost of sales		(4,481,789)
Total income		<u>206,789</u>
Other revenue	2	9,541
Distribution expense		(11,097)
Marketing expenses		(37,683)
Administration expenses		(1,203,599)
Finance costs		(7,877)
Loss before income tax	2	<u>(1,043,926)</u>
Income tax expense		-
Loss for the period		<u>(1,043,926)</u>
Other comprehensive income/(loss) for the period		<u>-</u>
Total comprehensive loss for the period		<u>(1,043,926)</u>
Loss attributable to: Members of the company		<u>(1,043,926)</u>
Total comprehensive loss attributable to: Members of the company		<u>(1,043,926)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

MADER QUEENSLAND PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	NOTE	2017 \$
Current assets		
Cash and cash equivalents	5	275,608
Trade and other receivables	6	1,919,868
Other current assets	7	63,512
Total current assets		<u>2,258,988</u>
Non-current assets		
Property, plant and equipment	8	1,780,340
Total non-current assets		<u>1,780,340</u>
Total assets		<u>4,039,328</u>
Current liabilities		
Trade and other payables	9	690,870
Borrowings	10	4,332,471
Total current liabilities		<u>5,023,341</u>
Non-current liabilities		
Borrowings	10	59,911
Total non-current liabilities		<u>59,911</u>
Total liabilities		<u>5,083,252</u>
Net liabilities		<u>(1,043,924)</u>
Equity		
Issued capital	12	2
Accumulated Losses	13	(1,043,926)
Total equity		<u>(1,043,924)</u>

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

**MADER QUEENSLAND PTY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017**

	NOTE	Issued Capital (Ordinary Shares) \$	Accumulated Losses \$	Total \$
Balance at 26 February 2016		-	-	-
Comprehensive loss				
Loss for the period		-	(1,043,926)	(1,043,926)
Other comprehensive loss for the period		-	-	-
Total comprehensive loss for the period attributable to members of the entity		-	(1,043,926)	(1,043,926)
Transactions with owners, in their capacity as owners				
Capital issue during the period		2	-	2
Dividends paid or provided for		-	-	-
Total transactions with owners		2	-	2
Balance at 30 June 2017	13	2	(1,043,926)	(1,043,924)

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

MADER QUEENSLAND PTY LTD
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017

	NOTE	2017 \$
Cash flows from operating activities		
Receipts from customers		2,824,504
Payments to suppliers and employees		(4,825,989)
Finance costs		(7,877)
Net cash used in operating activities	14	<u>(2,009,362)</u>
 Cash flows from investing activities		
Payments for plant and equipment		<u>(2,098,581)</u>
Net cash used in investing activities		<u>(2,098,581)</u>
 Cash flows from financing activities		
Proceeds from loans – related party		4,456,159
Repayment of chattel mortgage borrowings		(81,451)
Net cash provided by financing activities		<u>4,374,708</u>
 Net increase/(decrease) in cash held		266,765
Cash at the beginning of the period		-
Cash at the end of the period	14	<u>266,765</u>
 Analysis of bank balances of cash and cash equivalents:		
Cash at bank and in hand	5	<u>275,608</u>
 Cash and cash equivalents as stated in the statement of financial position:	5	275,608
Short term bank borrowings	10	<u>(8,843)</u>
Cash and cash equivalents as stated in the statement of cash flows	14	<u>266,765</u>

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

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

1. Summary of Significant Accounting Policies

(a) Basic 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 the 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) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are;

Class of fixed asset	Depreciation rate
Computer equipment	37.5%
Office furniture and fittings	10 – 40%
Motor vehicles	30%
Plant and equipment	10 – 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets (but not the legal ownership) are transferred to entities in 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 guarantee 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 diminishing value basis over their useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

(d) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period as is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are substantially measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(iv) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at nominal amounts expected to be paid when the liability is settled (excluding on-costs).

Provision for long service leave is recognised when an employee reached seven years of consecutive service.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the Statement of Financial Position.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the render of services is recognised for work completed in temporary placement in accordance with time worked indicated on employee timesheets.

Revenue from the sale of goods is recognised at the point of completion as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement of those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

(i) Borrowing Costs

Borrowing costs are recognised in accordance with contractual financing arrangements.

(j) Staff bonuses

A bonus is anticipated for reporting purposes if, and only if:

- (i) The bonus is a legal obligation or past practice would make the bonus a constructive obligation for which the entity has no realistic alternative but to make the payments, and
- (ii) A reliable estimate of the obligation can be made.

(k) Comparative Figures

There are no comparative figures because this is the first financial reporting period for the company from its incorporation.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

(l) 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. In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

(m) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 365 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of the discounting is immaterial.

The amount of the impairment losses is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2017. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

(o) 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 Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The changes to this standard are not expected to impact the Company's financial statements.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Summary of Significant Accounting Policies (continued)

The adoption of this standard is not expected to materially impact the Company's financial statements.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

26 February 2016
to 30 June 2017
\$

2. Revenue

Operating revenue

Maintenance services	4,688,578
Total operating revenue	<u>4,688,578</u>

Other revenue

Other income	9,541
Total other revenue	<u>9,541</u>

3. Profit for the period

Expenses

Depreciation of plant and equipment	318,241
Wages and Salaries	3,800,205
Remuneration of auditor	
- Audit or review	-
- Taxation and other services	-
Total	<u>4,118,446</u>

Rental expense of operating leases	
- Lease payments	148,004

4. Income Tax

(a) The Components of tax expense compromise:

Income tax expense current year	-
Deferred taxes	-
Under/(over) provision in prior years	-
	<u>-</u>

(b) The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable/(benefit) on loss from ordinary activities before income tax @ 30% (313,178)

Add:

Tax Effect of:

- Non-allowable expenses	-
- Tax losses not recognised as deferred tax asset	313,178

Less

Tax Effect of:

- Adjustments for current tax period prior	
- Deductible expenses	-
Income tax expense attributable to entity	<u>-</u>

The applicable weighted average effective tax rates are as follows

-%

-%

MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

30 June 2017
\$

5. Cash and cash equivalents

Cash on hand	2
Cash at bank	275,606
	<u>275,608</u>

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	275,608
Short term bank borrowings	10
	<u>(8,843)</u>
	<u>266,765</u>

6. Trade and other receivables

Trade receivables	1,864,074
Bonds receivables	55,794
	<u>1,919,868</u>

7. Other current assets

Prepayments	61,108
Borrowing costs	890
Employee loans	1,514
	<u>63,512</u>

Prepayments relate to prepayment of insurance, rent and subscriptions at 30 June 2017.

Prepaid borrowing costs relates to establishment fees on Chattel Mortgages, capitalised as part of the loan and written off over the life of the loans.

8. Property, plant and equipment

Plant, equipment and motor vehicles at cost	2,098,581
Less accumulated depreciation	<u>(318,241)</u>
	<u>1,780,340</u>

	Beginning Balance	Additions	Disposals	Depreciation	Closing Balance
Plant, equipment and motor vehicles	-	2,098,581	-	(318,241)	1,780,340
Total	-	2,098,581	-	(318,241)	1,780,340

MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

	30 June 2017
	\$
9. Trade and other payables	
Trade payables	194,876
Accrued expenses	189,421
Payroll liabilities	217,854
Superannuation payable	25,381
GST payable	63,338
	<u>690,870</u>
 10. Borrowings	
Current	
Short term bank borrowings	8,843
Chattel mortgage	66,582
Premium funding	8,832
Loan – Mader Group Pty Ltd	4,248,214
	<u>4,332,741</u>
Non-current	
Chattel mortgage	59,911
	<u>59,911</u>

The company held the following bank facilities at 30 June 2017:

- Business credit card facility with NAB of \$20,000 with a total of \$13,856 unused at 30 June 2017. Applicable interest rate of 18.5%;
- Asset finance leasing facility of \$250,000 with a total of \$123,798 unused at 30 June 2017.

The related party loans payable to Mader Group Pty Ltd are unsecured and interest free.

Luke Benjamin Mader, Craig Ian Burton and Mader Group Pty Ltd are guarantors on all bank facilities.

Security interest and charge over all of the present and future rights, property and undertaking of Mader Queensland Pty Ltd.

MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

30 June 2017
\$

11. Commitments and Contingency

a. Chattel Mortgage Commitments

Payable – minimum payments	
- No later than 12 months	70,444
- Between 12 months and 5 years	61,060
Minimum payments	<u>131,504</u>
Less future finance charges	<u>(5,011)</u>
Present value of minimum payments	<u>126,493</u>

The majority of chattel mortgage contracts are taken out with NAB with repayments paid monthly in advance. All chattel mortgages are for motor vehicles, small on-road trucks and tooling.

b. Operating Lease Commitments

The company entered into a property lease for 48 Enterprise Street Paget commencing 1 March 2017. The lease is non-cancellable with a two year term (plus further 1 two year option) where rent is payable in advance.

Payable – minimum payments	
- No later than 12 months	103,971
- Between 12 months and 5 years	71,142
	<u>175,113</u>

c. Capital Expenditure Commitments

There is no capital expenditure commitments as at 30 June 2017.

d. Contingency

There is no contingent assets or liabilities as at 30 June 2017.

12. Issued capital

100 ordinary shares @ \$0.02 per share	<u>2</u>
	<u>2</u>

13. Accumulated Losses

Opening balance	-
Loss of the period	<u>(1,043,926)</u>
	<u>(1,043,926)</u>

**MADER QUEENSLAND PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

**26 February 2016
to 30 June 2017
\$**

14. Cash flow information

(a) Cash

Cash at bank	5	266,765
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**(b) Reconciliation of Cash Flow from
Operations with Profit after Income
Tax**

Loss after income tax		(1,043,926)
Depreciation		318,241
<i>Change in assets and liabilities:</i>		
Increase (decrease) in creditors		634,016
(Increase) decrease in receivables		(1,866,830)
(Increase) decrease in accrued income and other assets		(50,863)
Increase (decrease) in provisions		-
Increase (decrease) in deferred tax payable		-
Net cash flow from operating activities		(2,009,362)

15. Events after the end of the reporting period

New debtor finance facilities of \$4,000,000 signed with NAB 11 July 2018 but executed 12 July 2018.

New master asset finance facility of \$6,000,000 signed with NAB 9 July 2018 but executed 12 July 2018.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future financial years.

16. Company details

The registered office of the company is:

Suite A1, Hkew Alpha Building
2 George Wiencke Drive
Perth Airport WA 6105

The principal place of business is:

Suite A1, Hkew Alpha Building
2 George Wiencke Drive
Perth Airport WA 6105

Company Auditors:

BDO
Level 1, 38 Station Street
Subiaco WA 6008

INDEPENDENT AUDITOR'S REPORT

To the members of Mader Queensland Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mader Queensland Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2017 and of its financial performance and its cash flows for the period then ended in accordance with the basis of accounting described in Note 1 (a).

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

Emphasis of matter – Basis of accounting

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the needs of the members and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Phillip Murdoch

Director

Perth, 27 May 2019