

Sarbags Pty Limited
75 097 994 879
Financial Statements
For the Year ended 31 March 2013

Sarbags Pty Limited
75 097 994 879
Income Statement
For the Year ended 31 March 2013

	Note	2013 \$	2012 \$
Revenue	2	974,696.96	830,667.25
Expenses excluding Finance Costs	3	874,695.41	730,698.88
Finance Costs	4	42.57	-
Profit before Income Tax	5	<u>99,958.98</u>	<u>99,968.37</u>
Income Tax Expense		(20,320.31)	(34,688.91)
Profit Attributable to Members of the Company		<u><u>79,638.67</u></u>	<u><u>65,279.46</u></u>

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

Sarbags Pty Limited
75 097 994 879
Balance Sheet
As at 31 March 2013

	Note	2013 \$	2012 \$
Current Assets			
Cash and Cash Equivalents	6	1,328,039.23	1,179,633.83
Trade and Other Receivables	7	164,255.91	201,556.74
Inventories	8	-	4.59
Total Current Assets		<u>1,492,295.14</u>	<u>1,381,195.16</u>
Non-Current Assets			
Property, Plant and Equipment	10	222.56	445.13
Intangible Assets	11	78,932.12	88,682.12
Deferred Tax Assets	9	10,299.90	10,299.90
Total Non-Current Assets		<u>89,454.58</u>	<u>99,427.15</u>
Total Assets		<u>1,581,749.72</u>	<u>1,480,622.31</u>
Current Liabilities			
Trade and Other Payables	12	80,568.83	63,595.85
Current Tax Liabilities	9	5,187.00	5,132.00
Financial Liabilities	13	-	7,067.05
Short Term Provisions	14	90,683.42	89,774.37
Total Current Liabilities		<u>176,439.25</u>	<u>165,569.27</u>
Total Liabilities		<u>176,439.25</u>	<u>165,569.27</u>
Net Assets		<u>1,405,310.47</u>	<u>1,315,053.04</u>
Equity			
Issued Capital	15	50,000.00	50,000.00
Reserves	16	(14,746.85)	(25,365.62)
Retained Profits	17	1,370,057.32	1,290,418.66
Total Equity		<u>1,405,310.47</u>	<u>1,315,053.04</u>

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Cash and Cash Equivalents

Cash and cash equivalents include 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 borrowings in current liabilities on the balance sheet.

(b) 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(c) 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.

(d) Property, Plant and Equipment

All property, plant and equipment excluding freehold land and buildings, are initially measured at cost and are depreciated over their useful lives to the company.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. 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 not been discounted in determining recoverable amounts.

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

(e) **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred 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.

(f) **Intangibles**
Goodwill

Goodwill is initially measured at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when the directors consider that there is objective evidence the business has been impaired. Impairment losses are calculated based on the directors' assessment of the business's recoverable amount. 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 flow have not been discounted in determining recoverable amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

(g) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

(h) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(i) **Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

(k) 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 in the balance sheet 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 balance sheet.

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

	2013	2012
	\$	\$
2. Revenue		
Sales Revenue		
Sale of Goods	914,411.94	783,730.70
	<u>914,411.94</u>	<u>783,730.70</u>
Other Income		
Interest Received	51,825.70	46,936.55
Foreign Currency Exchange Gain	8,459.32	-
	<u>60,285.02</u>	<u>46,936.55</u>
	<u><u>974,696.96</u></u>	<u><u>830,667.25</u></u>
3. Expenses		
Decrease in Inventories of Finished Goods or Wip	32,042.35	28,887.46
Raw Materials, Purchases and Consumables Used	687,232.74	530,595.98
Employee Benefits Expense	116,823.76	123,744.99
Depreciation and Amortisation	9,972.57	10,195.15
Bank Charges- Au	714.44	482.84
Freight & Cartage	781.35	-
Insurance	3,702.51	3,594.24
Rates & Taxes	619.20	-
Repairs & Maintenance	556.28	2,680.00
Telephone-Au	3,087.96	4,242.26
Other Expenses	19,162.25	26,275.96
	<u>874,695.41</u>	<u>730,698.88</u>
4. Finance Costs		
Interest Paid		
- Bank	42.57	-
	<u>42.57</u>	<u>-</u>
5. Profit for the Year		
Profit before income tax expense from continuing operations includes the following specific expenses:		
Charging as Expense		
Cost of Goods Sold	719,275.09	559,483.44
Finance Costs	42.57	-

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

	2013	2012
	\$	\$
Movements in Provisions		
Depreciation		
- Depreciation of Property, Plant and Equipment	222.57	445.15
Amortisation of Non-Current Assets		
- Goodwill	9,750.00	9,750.00
Net Expenses Resulting from Movement in Provisions	9,972.57	10,195.15
Remuneration of the Auditor:-		
- Audit & review of financial reports	2,756.58	5,477.60
	2,756.58	5,477.60
Foreign Currency Translation Losses	-	8,024.66
6. Cash and Cash Equivalents		
Wespac Online Maxi Direct 032270-21-3598 Au	203,429.20	85,835.33
Westpac Business Account 032270149741 Au	17,289.79	-
Term Deposit (9854) Au	219,173.05	202,581.19
Term Deposit (1806) Au	152,015.45	144,757.73
Term Deposit		
Term Deposit (5876) Au	118,755.27	113,085.50
Term Deposit (2443)Au	88,234.34	84,335.94
Term Deposit (3871) Au	100,000.00	-
Westpac- Nz	4,495.93	8,529.81
Westpac online account- Nz	17,048.94	72,150.21
Westpac Term Deposit- Nz	343,652.45	326,183.78
Westpac USD Account AU	2,059.60	84,876.00
Westpac USD Account NZ	61,885.21	57,298.34
	1,328,039.23	1,179,633.83
7. Trade and Other Receivables		
Current		
Trade Debtors- Au	164,255.91	158,143.02
Trade Debtors- Nz	-	43,031.43
Loans at Call Travel Funds - NZ	-	382.29
	164,255.91	201,556.74
Total Trade and Other Receivables	164,255.91	201,556.74

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

	2013	2012
	\$	\$
8. Inventories		
Current		
Merchandise Inventory- Nz	-	<u>4.59</u>
	-	<u>4.59</u>
	-	<u>4.59</u>
Total Inventories	<u>-</u>	<u>4.59</u>
9. Tax Assets and Liabilities		
Current		
Liabilities		
PAYG W/H Payable--Au	<u>5,187.00</u>	<u>5,132.00</u>
	5,187.00	5,132.00
Non-Current Assets		
FITB	<u>10,299.90</u>	<u>10,299.90</u>
	10,299.90	10,299.90
Net Tax Assets	<u>(5,112.90)</u>	<u>(5,167.90)</u>
10. Property, Plant and Equipment		
Plant and Equipment		
Office Equipment - Au	10,458.49	10,458.49
Less Accumulated Depreciation & Impairment	<u>10,235.93</u>	<u>10,013.36</u>
	222.56	445.13
Office Equipment- Nz	2,446.49	2,446.49
Less Accumulated Depreciation & Impairment	<u>2,446.49</u>	<u>2,446.49</u>
Total Plant and Equipment	<u>222.56</u>	<u>445.13</u>

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

	2013	2012
	\$	\$
11. Intangible Assets		
Non-Current		
Goodwill	195,000.00	195,000.00
Less Accumulated Impairment Losses	<u>116,067.88</u>	<u>106,317.88</u>
	78,932.12	88,682.12
Total Intangible Assets	<u><u>78,932.12</u></u>	<u><u>88,682.12</u></u>
12. Trade and Other Payables		
Current		
Trade Creditors-Au	54,652.44	47,144.43
Trade Creditors-Nz	16,546.54	1,055.13
Other Creditors - AU	4,436.87	3,545.45
Provision for GST	<u>4,932.98</u>	<u>11,850.84</u>
	80,568.83	63,595.85
Total Trade and Other Payables	<u><u>80,568.83</u></u>	<u><u>63,595.85</u></u>
13. Financial Liabilities		
Current		
Bank Overdraft	-	3,664.60
Other Creditors - NZ	<u>-</u>	<u>3,402.45</u>
	-	7,067.05
Total Financial Liabilities	<u><u>-</u></u>	<u><u>7,067.05</u></u>
14. Provisions		
Current		
Provision for Income Tax	4,618.28	10,505.26
Provision for Annual Leave	<u>86,065.14</u>	<u>79,269.11</u>
	90,683.42	89,774.37
Total Provisions	<u><u>90,683.42</u></u>	<u><u>89,774.37</u></u>

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

	2013	2012
	\$	\$
15. Contributed Equity		
Issued Capital		
Ordinary A Class Shares	<u>50,000.00</u>	<u>50,000.00</u>
	<u>50,000.00</u>	<u>50,000.00</u>
16. Reserves		
General Reserve	(20,151.85)	(30,770.62)
Forex Reserves Reserve AU	<u>5,405.00</u>	<u>5,405.00</u>
	<u>(14,746.85)</u>	<u>(25,365.62)</u>
Movements during the year		
General Reserve		
Opening Balance for the year Forex reserve NZ	(30,770.62)	(54,567.10)
NZ translation movement for the year	<u>10,618.77</u>	<u>23,796.48</u>
	<u>(20,151.85)</u>	<u>(30,770.62)</u>
Forex Reserves Reserve AU		
Opening Balance for the year Forex Reserves AU	<u>5,405.00</u>	<u>5,405.00</u>
	<u>5,405.00</u>	<u>5,405.00</u>
17. Retained Earnings		
Retained Earnings at the Beginning of the Financial Year	1,290,418.65	1,225,139.20
Add		
Net profit attributable to members of the company	99,958.98	99,968.37
Less		
Income Tax Expense	20,320.31	34,688.91
Retained Earnings at the End of the Financial Year	<u>1,370,057.32</u>	<u>1,290,418.66</u>

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

Sarbags Pty Limited
Notes to the Financial Statements
For the Year ended 31st March 2013

2013	2012
\$	\$

18. Company Details

The registered office of the company is:
Sarbags Pty Limited
19 Casino Road Greystanes NSW 2145

The principal place of business is:
Sarbags Pty Limited
19 Casino Road Greystanes NSW 2145

The principal activities of the business include:
Ropes, Bags & Geo Textile Material Distributors

SARBAGS PTY LIMITED**19 . Consolidated Cash Flow Statement for the year ended 31st March, 2013**

	2012-2013	2011-2012
	\$	\$
A. Cash Flow from Operating Activities		
Net Profit after tax as per P & L Account	\$ 79,638.70	\$ 65,279.44
Extra Ordinary items	\$ -	\$ -
	<u>\$ 79,638.70</u>	<u>\$ 65,279.44</u>
Adjusted for		
Depreciation & Amortisation	\$ 9,972.57	\$ 10,195.15
Tax Provision	\$ 20,320.31	\$ 34,688.92
Effects of exchange rate change	\$ 10,618.77	\$ 23,729.70
	<u>\$ 120,550.34</u>	<u>\$ 133,893.22</u>
Operating Profit before Working Capital Changes	\$ 120,550.34	\$ 133,893.22
Adjusted for		
Trade & Other Receivables	\$ 36,918.54	\$ (75,985.16)
Inventories	\$ 4.59	\$ 13,264.02
Trade Payables	\$ 27,284.41	\$ 1,686.66
Cash generated from operations	<u>\$ 184,757.89</u>	<u>\$ 72,858.74</u>
Interest paid	\$ -	\$ -
Direct taxes paid	<u>\$ (33,070.20)</u>	<u>\$ (29,913.30)</u>
Cash Flow before extraordinary items	<u>\$ 151,687.69</u>	<u>\$ 42,945.43</u>
Extra Ordinary items	\$ -	\$ -
Net Cash from \ (used in) Operating Activities	<u><u>\$ 151,687.69</u></u>	<u><u>\$ 42,945.43</u></u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets		
Sale of Fixed Assets		
Difference due to Exchange fluctuation		
Loans (Net)		
Net Cash (used in) \ from Investing Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
C. Cash Flow from Financing Activities		
Short term loans (Net)		
Net Cash from \ (used in) Financing Activities		
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	\$ 151,687.69	\$ 42,945.43
Opening Balance of Cash and Cash Equivalents	<u>\$ 1,176,351.53</u>	<u>\$ 1,133,406.10</u>
Closing Balance of Cash and Cash Equivalents	<u><u>\$ 1,328,039.22</u></u>	<u><u>\$ 1,176,351.53</u></u>

Sarbags Pty Limited
75 097 994 879
Directors Report
for the Year Ended 31 March 2013

Your directors present their report on the company for the financial year ended 31 March 2013.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Dilip Shukla
Vasudeo Pandit

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

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$79,639.

A review of the company operations during the financial year and the results of those operations are as follows:

The company's operations during the year performed as expected in the opinion of the directors.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

Ropes, Bags & Geo Textile Material Distributors

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No 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 future financial years.

Likely Developments and Expected Results of Operations

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 Regulation

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

Sarbags Pty Limited
75 097 994 879
Directors Report
for the Year Ended 31 March 2013

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) There were no dividends paid during the year.
- b) There were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

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

Proceedings on Behalf of the 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 to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included with the financial statements.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Dilip Shukla
Director

Vasudeo Pandit
Director

Dated this 30th day of April 2013

Sarbags Pty Limited
75 097 994 879
Directors Declaration
for the Year Ended 31 March 2013

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 in the financial statements, present fairly the company's financial position as at 31 March 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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.

Dilip Shukla
Director

Vasudeo Pandit
Director

Dated this 30th day of April 2013

Sarbags Pty Limited
75 097 994 879
Independent Auditor's Report
to the Members of
Sarbags Pty Limited

We have audited the accompanying financial report, being a special purpose financial report, of Sarbags Pty Limited (the company), which comprises the balance sheet as at 31 March 2013, and the income statement 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, and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the company's constitution and the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 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 judgment, 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 entity'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 Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of Sarbags Pty Limited as at 31 March 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Sarbags Pty Limited
75 097 994 879
Independent Auditor's Report
to the Members of
Sarbags Pty Limited

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting obligations under the company's constitution. As a result, the financial report may not be suitable for another purpose.

Ken Neyle
K.F.Neyle CPA
8 Yawung Avenue Baulkham Hills NSW 2153

Dated this 4th day of May 2013

Auditors Independence Declaration
Under Section 307C of the Corporations Act 2001

To the Directors of Sarbags Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Sarbags Pty Limited for the year ended 31 March 2013 there have been:

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

Ken Neyle
K.F.Neyle CPA
8 Yawung Avenue Baulkham Hills NSW 2153

Dated this 4th day of May 2013

Sarbags Pty Limited
75 097 994 879
Compilation Report To Sarbags Pty Limited

We have compiled the accompanying special purpose financial statements of Sarbags Pty Limited, which comprise the balance sheet as at 31 March 2013, the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Ramamurthy & Co Pty Ltd

CPA

A19, 24-32 Lexington Drive Bella Vista NSW 2153

Ram Ramamurthy

19 April 2013