A.C.N 009 161 522 Limited

(Formerly known as SUBZERO GROUP LIMITED)

(Subject to Deed of Company Arrangement)

ABN 68 009 161 522

ANNUAL REPORT
30 JUNE 2016

A.C.N 009 161 522 LIMITED (Formerly known as Subzero Group Limited)
(Subject to Deed of Company Arrangement)
ABN 68 009 161 522
ANNUAL REPORT 30 JUNE 2016

CONTENTS

CORPORATE DIRECTORY

Directors
Mr Michael Davy
Mr Nicholas Young
Ms Kyla Garic

Company Secretary
Ms Kyla Garic

Registered office
39-43 Thomas Mitchell Drive
Muswellbrook NSW 2333

Auditor
RSM Australia Partners
8 St Georges Terrace
PERTH, WESTERN AUSTRALIA 6000

Bankers
Macquarie Bank Limited
50 Martin Place
Sydney NSW 2000

Share Registry
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Securities Exchange Listing
ASX Limited
20 Bridge Street
Sydney NSW 2000
ASX Code – SZG

DIRECTORS' REPORT

The Directors presents this report for A.C.N 009 161 522 Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 June 2016.

Directors

The names and the particulars of the Directors who held office during or since the end of the year and until the date of this report are disclosed below. The Directors were in office for this entire period unless otherwise stated.

The powers of the Directors were suspended from 11 February 2016, being the date of the appointment of the Voluntary Administrators and Receivers and Mangers and remain so during the term of the Deed of Company Arrangement ("DOCA") made in relation to the Company.

Name	Status	Appointment/ Resignation
Mr Michael Davy	Non-Executive Director	Appointed on 29 June 2017
Mr Nicholas Young	Non-Executive Director	Appointed on 29 June 2017
Ms Kyla Garic	Non-Executive Director	Appointed on 29 June 2017
Mr Graeme (Joe) Clayton	CEO and Executive Director	Resigned on 29 June 2017
Mr Malcolm Jackman	Non-Executive Chairman	Resigned on 7 June 2016
Mr Bruce Arnott	Non-Executive Director	Resigned on 7 June 2016
Mr Frank O'Halloran	Non-Executive Director	Resigned on 7 June 2016

Company Secretary

Name	Status	Appointment/ Resignation
Ms Kyla Garic	Company Secretary	Appointed on 29 June 2017
Mr Andrew J. Cooke	Company Secretary	Resigned on 7 June 2016

Principal activities

During the year the principal activities of the Group consisted of providing the following services to the Mining industry:

- Mechanical support (on and offsite heavy machinery repairs and light vehicle maintenance)
- Structural support (on and offsite engineering and fabrication)
- Mining support (mining project support, equipment hire and labour hire)
- Electrical harnessing and hydraulic isolator safety systems

There were no major changes to the activities of the Group during the period.

Incomplete records

To prepare this financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data provided by the Receivers and extracted from the Group's accounting system for the year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the accounts. These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration and receivership process of the Company.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at 30 June 2016.

DIRECTORS' REPORT

Operating and financial review

The consolidated loss for the year amounted to $4,740,000 (2015: loss of $29,526,000).

Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2016 (2015: Nil).

Significant changes in state of affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

On 11 February 2016, Macquarie Bank Limited ("Macquarie"), a secured creditor of the Company placed the Group into Voluntary Administration and Receivership. Mr Philip Campbell-Wilson and Mr Adam Nikitins of Ernst & Young were appointed as joint and several Voluntary Administrators. The appointment of the Voluntary Administrators ("Administrators") was made concurrently with the appointment of Mr Ryan Eagle and Mr Morgan Kelly of Ferrier Hodgson as Receivers and Managers ("Receivers") over the business and the assets of the Group. Following appointment of the Administrators and Receivers, the powers of the Company's officers (including Directors) were suspended and the receivers assumed control of the Company.

The first meeting of creditors was held on 23 February 2016.

On 8 March 2016, the Administrators applied with the Supreme Court of New South Wales extending the convening period of the second meeting of creditors of the administrations of the companies in the Group. The Court ordered that the convening period be extended to 9 June 2016. Subsequent applications for further extensions were made to the Supreme Court of New South Wales (7 June 2016 and 5 September 2016) and orders further extending the convening period were made until 9 September 2016 and 9 November 2016 respectively.

No other significant changes in the nature of the Company's activities have occurred during the year.

Significant events after reporting date

On 12 August 2016, the Receivers entered into an Asset Sale Agreement for the sale of the business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS").

The sale of business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS") was completed on 30 September 2016.

The second meetings of creditors of companies in the Group was held on 14 November 2016 at which the creditors resolved the:

- With respect to the Company to execute a Deed of Company Arrangement ("DOCA") and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators ("Deed Administrators"); and
- With respect to the other entities in the group (other than the Company) creditors have resolved to wind up the subsidiary Entities and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Liquidators.

On 5 December 2016, the Company executed the DOCA, with Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators.

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below. The following summary is not a substitute for the terms of the DOCA and the Recapitalisation Proposal, which forms Schedule 1 to the DOCA. Capitalised terms not defined below have the meanings given to them in the DOCA or Recapitalisation Proposal.

DIRECTORS' REPORT

Significant events after balance date (continued)

a) The Company will consolidate its existing shares on a one (1) for (30) basis.

b) The Syndicate (or nominees of the Syndicate) will provide $440,000 cash towards the creditors of the Company ("Creditor Payment"). A total of $30,000 to be paid as a deposit, upon execution of the varied DOCA and the balance to be made available following receipt of creditor and shareholder approval of the recapitalisation proposal.

c) The Creditor Payment will be loaned into the Company, following shareholder approval, and will be repaid from the following capital raisings (which are subject to the receipt of shareholder approval). It is proposed that the capital raisings will be as follows:

   (i) Up to 250,000,000 shares at not less than $0.02 to raise $5,000,000;

   (ii) Up to 75,000,000 shares and 50,000,000 options to acquire shares with an exercise price of not less than $0.02 each with an expiry of 4 years from the date of issue, for the acquisition of an asset to re-instate the Company's shares to trading on the ASX; and

   (iii) Up to 75,000,000 Lead Manager Options to acquire shares with an exercise price of not less than $0.02 each with an expiry date of 4 years from the date of issue;

The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

d) All of the directors of the Company will be removed and replaced by nominees of the Syndicate.

e) All secured creditors must release securing any security over the Company and its assets contemporaneously with the effectuation of the DOCA.

f) The Creditor Payment is made on the basis that following shareholder approval, release of securities and payment of the Creditor Payment, the DOCA will terminate.

g) All subsidiaries of the Company that are dormant and not required by the Syndicate are to be deregistered, at no cost to the Company or the Syndicate.

h) At Completion of the capital raising, the Company's cash position, net of liabilities, is greater than $4m.

On 9 February 2017, the Australian Securities and Investment Commission ("ASIC") granted the Company relief from its financial reporting requirements and it does not need to comply with any of the following obligations under Part 2M.3 of the Corporations Act in relation to half year ended 31 December 2015, year ended 30 June 2016 and half year ended 31 December 2016:

- Reporting to members of the Company under section 314 within the time required by section 315;
- Send report to a member of the Company in accordance with a request under subsection 316(a) within the time required by subsection 316(2);
- Lodge reports with ASIC under subsection 319(1) within the required time by that subsection.

On 3 March 2017, at a duly convened creditors meeting of the Company, pursuant to Section 445F of the Corporations Act, the creditors resolved to approve a variation to the DOCA. On the same day, the Company, the Deed Administrators, the Secured Creditor and Otsana Pty Ltd executed the variation to the DOCA.

On 29 June 2017, the director Graham (Joe) Clayton resigned from office and Michael Davy, Nicholas Young and Kyla Garic were appointed as Directors of the Company.

DIRECTORS' REPORT

Information on Directors

Michael Davy	**Non-Executive Director (appointed on 29 June 2017)**
Qualifications	BCom (Acc)
Experience	Mr Davy is an Accountant with over 15 years' experience. His experience is broad having working in Oil and Gas, Resources, Property, Food Distribution, Restaurants and startup Technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in a number of ASX listed companies.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Dotz Nano Limited (Formerly Northern Iron Limited) resigned 31 October 2016

Nicholas Young	**Non-Executive Director (appointed on 29 June 2017)**
Qualifications	Bachelor of Commerce, majoring in Accounting and Finance
Experience	Mr Young is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries, including mining and exploration, mining services, renewable energy, professional services, manufacturing and transport. Mr Young has been involved in the recapitalisation of various ASX-listed companies.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	MHM Metals Limited (current) Zenitas Healthcare Limited (formerly BGD Corporation Limited) (ceased 1 February 2015) Cre8tek Limited (formerly Marion Energy Limited) (ceased 5 November 2015) Calidus Resources Limited (formerly Pharmanet Group Limited) (ceased 13 June 2017)

Kyla Garic	Non-Executive Director (appointed on 29 June 2017)
Qualifications	BCom, MAcc, CA
Experience	Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Aquaint Capital Holdings Limited (Subject to Deed of Company Arrangement) (Current) Dotz Nano Limited (formerly Northern Iron Limited), resigned 31 October

Information on Directors

Graham (Joe) Clayton	**CEO and Executive Director (resigned on 29 June 2017)**
Qualifications	BE (Min) Hons, F AusIMM CP (Man), GAICD
Experience	Graham Clayton has 38 years in mining with over 22 years leading mining operations in the coal, copper, iron ore and gold industries in all the mainland states of Australia as well as 8 years in remote communities in Papua New Guinea (PNG) and Indonesia. He led the exploration and development phases for large scale coal mines, the Anvil Hill Project in the Hunter Valley NSW and the Watermark Project in the Gunnedah Basin NSW. He designed the lead mine and led the start-up of operations for Camberwell Coal in Hunter Valley NSW. He has successfully led some of the most challenging mining operations in South East Asia including implementing major mining change management programs at Muswellbrook Coal in Hunter Valley NSW, Lihir Gold in PNG, Boddington and Hedges Goldmines in South West WA, Kanowna Belle Goldmine in WA goldfields as well as Sebuku, Senakin and Satui Coalmines in South Kalimantan Indonesia.
Interest in Shares and Options	2,592,700 ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities	Nil

Malcolm Jackman	**Non-Executive Chairman (resigned on 7 June 2016)**
Qualifications	B Sc., B Com.
Experience	Malcolm Jackman is the Chief Executive of SAFECOM, South Australia's Fire and Emergency Commission. Prior to this he was Chief Executive of Defence SA, South Australia's lead government agency for all defence matters and the nation's only stand-alone state defence organisation targeting defence investment and expansion opportunities, driving and supporting the delivery of major defence projects and facilities. He was formerly the Chief Executive and Managing Director of Elders Limited and Coates Hire Limited. Malcolm has over 20 years experience managing large distribution sales networks in a business to business environment.
Interest in Shares and Options	1,792,700 ordinary shares
Special Responsibilities	Member of the Audit Committee and Remuneration and Succession Planning Committee
Directorships held in other listed entities	Elders Limited (resigned September 2013)

Bruce Arnott	**Non-Executive Director (removed on 7 June 2016)**
Qualifications	B Com.
Experience	Bruce Arnott has 39 years' experience working in various finance roles in a broad range of industries including manufacturing, engineering and distribution. Bruce's positions have include six years as Group Controller of OneSteel and most recently six years as Chief Financial Officer of Bradken Limited (ASX: BKN) where his responsibilities included finance/accounting, treasury, supply, investor relations, investments, risk management, audit and insurance.
Interest in Shares and Options	483,334 ordinary shares
Special Responsibilities	Chairman of Audit Committee

Directorships held in other listed entities	Nil
Information on Directors (continued)	
Frank O'Halloran	**Non-Executive Director (removed on 7 June 2016)**
Qualifications	AM, FCA
Experience	Frank O'Halloran has over 35 years' experience at QBE Insurance Group Limited where he was Chief Executive Officer from January 1998 to August 2012. He also worked with Coopers & Lybrand (now PWC) for 13 years where he commenced his career as a Chartered Accountant. Frank was active in the insurance industry, holding many representative positions in the Insurance Council of Australia (ICA) including President and Director of ICA in 1999-2000. He was inducted into the International Insurance Hall of Fame in 2010.
Interest in Shares and Options	11,009,191
Special Responsibilities	Member of Audit Committee and Chairman of Remuneration and Succession Planning Committee
Directorships held in other listed entities	Steadfast Group Limited (current)

Information on Company Secretary

Kyla Garic	**Company Secretary (appointed on 29 June 2017)**
Qualifications/ Experience	The qualification and experience of Ms Garic is noted above under directors' information.
Andrew J Cooke	**Company Secretary (removed on 7 June 2016)**
Qualifications	LLB, FCIS
Experience	Andrew J Cooke was appointed as Joint Company Secretary on 12 April 2013. Andrew has extensive experience in law, corporate finance and as company secretary of a number of ASX listed companies. He is responsible for corporate administration together with ASX and regulatory compliance,

Meetings of directors

Due to the appointment of Administrators and Receivers and Managers on 11 February 2016, there is insufficient information to determine the number of meetings held by the Directors during the year.

Share options

There are no shares under option and no options were exercised during the year (2015: Nil).

Non-audit services

No fees for non-audit services were paid to the external auditors during the year ended 30 June 2016 (2015: $6,630).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2016 can be found on page 12 of the financial report.

Remuneration report

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of A.C.N 009 161 522 Limited's directors and its senior management for the financial year ended 30 June 2016. The Company was in administration from 11 February 2016 and on entering administration the administrators were responsible for the remuneration policies of the Company.

The Directors who are in office at the date of this report had no involvement in adopting, implementing or complying with these remuneration policies. These policies may or may not have been in place during the financial period.

If the recapitalisation process is successful, the Directors who are in office at that date will adopt a new remuneration policy in accordance with the corporate governance framework to be adopted by the Board.

The prescribed details for each person covered by this report are detailed below under the following headings:

- Remuneration policy for directors and senior executives
- Details of remuneration
- Options issued as part of remuneration
- Employment contracts of directors and senior executives

Remuneration policy for directors and senior executives

The remuneration policy of A.C.N 009 161 522 was designed to align Director and Senior Management objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the group's medium and long-term financial outcomes.

The Board's policy for determining the nature and amount of remuneration for Board members and Senior Management of the group was as follows:

- The remuneration policy, setting the terms and conditions for Executives and Directors was developed by the Board.
- All Executives received a base salary (which was based on factors such as scope of responsibilities, length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The Board reviewed Executive Directors and Senior Management performance annually by reference to the goals set at the start of the year

The Board was able to; however, exercise its discretion in relation to approving incentives, bonuses and options. The policy was designed to attract the highest calibre of Executive Directors and reward them for performance that results in long-term growth in shareholder wealth.

All remuneration paid to Executive Directors and Senior Management was valued at the cost to the Company and expensed.

Remuneration of non-executive directors is determined by the Board within the maximum amount approved by the shareholders from time to time and which currently stands at $225,000 per annum.

Details of remuneration

2016

From 11 February 2016 the Company was in administration and receivership. The Company does not have adequate information to enable the disclosures required by Corporations Act 2001 for the year ended 30 June 2016.

2015

The directors and other key management personnel remuneration for the year ended 30 June 2015 is presented below.

30-Jun-15	Short-term benefits				Post-employment benefits	Long-term benefits	Equity-settled share-based payments		Total	Remuneration as options
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	superannuation	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Non-Executive Directors										
M Jackman	75,000	-	-	-	-	-	-	-	75,000	-
B Arnott	50,000	-	-	-	-	-	-	-	50,000	-
F O'Halloran	50,000	-	-	-	-	-	-	-	50,000	-
G Clayton[1]	16,667	-	-	-	-	-	-	-	16,667	-
Executive Directors										
G Clayton[2]	289,375	-	-	-	21,122	-	-	-	310,497	-
S Farrell[3]	151,385	-	-	-	14,382	-	-	-	165,767	-
Other KMP										
R Lojszczyk[4]	263,081	-	-	-	22,216	-	-	-	285,297	-
D Hales[5]	35,585	-	-	-	2,557	-	-	-	38,142	-
J McTaggart[6]	73,333	-	-	-	6,967	-	-	-	80,300	-
K Googe[7]	140,730	-	-	-	6,840	-	-	-	147,570	-
S Watson	200,287	-	-	-	19,027	-	-	-	219,314	-
J Dickson[8]	147,437	-	-	-	-	-	-	-	147,437	-
J Furner[9]	91,075	-	-	-	9,198	-	-	-	100,273	-
	1,583,955	-	-	-	102,309	-	-	-	1,686,264	-

Options issued as part of remuneration

No options were exercised, since the last report (2015: Nil).

Employment Contracts of Directors and Senior Executives

The previous directors' contracts ended upon entering administration.

[1] Mr Clayton was a Non-Executive Director for the period 1 July 2014 to 10 November 2014

[2] Mr Clayton commenced in the role of CEO and Executive Director on 11 November 2014

[3] Mr Farrell resigned as the CEO and Executive Director on 11 November 2014

[4] Mr Lojszczyk resigned on 16 January 2015

[5] Mr Hales resigned on 23 July 2015

[6] Mr McTaggart discontinued as a number of KMP

[7] Mr Goose resigned on 14 November 2014

[8] Mr Dickson was paid as a consultant from 16 January 2015 and became an employee on 1 July 2015

[9] Mr Furner joined Group on 9 February 2015

KMP options and rights holdings

There were no options or rights held over the ordinary shares by KMP (2015: Nil)

KMP shareholdings

The number of ordinary shares in A.C.N 009 161 522 Limited held by each Director of the Group during the financial year was as follows:

30 June 2016	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
M Jackman	1,792,700	-	-	-	1,792,700
G Clayton	2,592,700	-	-	-	2,592,700
B Arnott	483,334	-	-	-	483,334
F O'Halloran	11,009,191	-	-	-	11,009,191
Total	15,877,925	-	-	-	15,877,925

30 June 2015	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of Year
M Jackman	1,792,700	-	-	-	1,792,700
G Clayton	2,592,700	-	-	-	2,592,700
B Arnott	483,334	-	-	-	483,334
F O'Halloran	11,009,191	-	-	-	11,009,191
S Farrell**	54,750,825	-	-	(54,750,825)	-
Total	50,628,750	-	-	(54,750,825)	15,877,925

*Mr Farrell resigned on 11 November 2014, at the date of the resignation Mr Farrell held 54,750,825 shares.

Loans to Key Management Personnel

To the best of the Directors' knowledge, they are not aware of any loans to Key Management Personnel during the financial year.

Other KMP Transactions

The Directors do not have sufficient information to determine if there are any other KMP transactions.

REMUNERATION REPORT (END)

DIRECTORS' REPORT

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 to any such proceedings during the year.

Indemnifying officers

Due to the Company being in administration the directors insurance premiums have not been renewed since the last policy was paid.

Environmental regulations

In the normal course of business, there are no environmental regulations or requirements that the Company is subject to.

Future developments, prospects and business strategies

The Company is in the process of being recapitalised and its future developments, prospects and business strategies are detailed in the significant events after balance sheet date section of the Directors' report.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM during or since the financial year.

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

Michael Davy
Non-Executive Director
Dated 30 June 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

		30 June 2016	30 June 2015
		$'000	$'000
Revenue from continuing operations	2	63,734	56,849
Cost of sales		(47,223)	(49,612)
Gross profit		**16,511**	**7,237**
Other income	2	225	155
General and administration expense	2	(7,639)	(8,006)
Vehicle and equipment costs	2	(2,972)	(2,258)
Depreciation and amortisation	2	(2,166)	(2,787)
Impairment of non-current assets		-	(3,341)
Finance costs	2	(1,039)	(5,875)
Employee benefits expense	2	(5,609)	(9,551)
Rental expense	2	(2,019)	(2,840)
Other		(32)	(2,062)
Loss before income tax		**(4,740)**	**(29,328)**
Income tax expense	3	-	(198)
Loss for the period		**(4,740)**	**(29,526)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		-	-
Total comprehensive loss for the year		**(4,740)**	**(29,526)**
Total comprehensive loss attributable to:			
Members of the parent entity		(4,719)	(29,398)
Non-controlling interest		(21)	(128)
		(4,740)	**(29,526)**
Basic loss per share (cents per share)	6	(1.87)	(11.67)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016	30 June 2015
		$'000	$'000
CURRENT ASSETS			
Trade and other receivables	8	11,652	8,369
Inventories	9	1,468	1,645
TOTAL CURRENT ASSETS		**13,120**	**10,014**
NON-CURRENT ASSETS			
Property, plant and equipment	10	8,001	8,546
Financial assets		69	19
Intangible assets		21	23
TOTAL NON-CURRENT ASSETS		**8,091**	**8,588**
TOTAL ASSETS		**21,211**	**18,602**
CURRENT LIABILITIES			
Trade and other payables	11	31,180	23,890
Borrowings	12	26,008	24,383
Current tax liabilities		234	234
Provisions	13	1,193	911
TOTAL CURRENT LIABILITIES		**58,615**	**49,418**
NON-CURRENT LIABILITIES			
Borrowings	12	-	1,848
Provisions	13	250	250
TOTAL NON-CURRENT LIABILITIES		**250**	**2,098**
TOTAL LIABILITIES		**58,865**	**51,516**
NET LIABILITIES		**(37,654)**	**(32,914)**
EQUITY			
Issued capital	14	18,383	18,383
Reserves	15	(502)	(502)
Accumulated losses		(55,439)	(50,720)
Total parent equity interest		**(37,558)**	**(32,839)**
Non-controlling interest		(96)	(75)
TOTAL DEFICIENCY		**(37,654)**	**(32,914)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2016

	Issued Capital	Accumulated Losses	Reserves	Non-Controlling Interest	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**18,383**	**(21,322)**	**(502)**	**53**	**(3,388)**
Loss for the period	-	(29,398)	-	(128)	(29,526)
Total comprehensive loss for the period	-	(29,398)	-	(128)	(29,526)
Balance at 30 June 2015	**18,383**	**(50,720)**	**(502)**	**(75)**	**(32,914)**
Balance at 1 July 2015	**18,383**	**(50,720)**	**(502)**	**(75)**	**(32,914)**
Loss for the period	-	(4,719)	-	(21)	(4,740)
Total comprehensive loss for the period	-	(4,719)	-	(21)	(4,740)
Balance at 30 June 2016	**18,383**	**(55,439)**	**(502)**	**(96)**	**(37,654)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 $'000	30 June 2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		60,581	67,249
Payments to suppliers and employees		(61,047)	(68,933)
Other receipts		-	155
Interest paid		-	(538)
Net cash used in operating activities	7	**(466)**	**(2,067)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	(176)
Proceeds from financial assets		-	169
Proceeds from disposal of plant and equipment		-	1,107
Net cash from investing activities		**-**	**1,100**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	(3,035)
Repayment of borrowings		-	2,901
Net cash used in financing activities		**-**	**(134)**
Net decrease in cash and cash equivalents		(466)	(1,101)
Cash and cash equivalents at beginning of period		(319)	782
Cash and cash equivalents at end of period	12	**(785)**	**(319)**

The accompanying notes form part of these financial statements

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

These consolidated financial statements cover A.C.N 009 161 522 Limited (Formerly known as Subzero Group Limited) ("the Company") and its controlled entities as a consolidated entity (also referred to as "the Group"). The Company is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

This financial report was issued by the Directors on 30 June 2017.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars

a) Basis of preparation of the financial report

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 where possible (refer to Note 1(b)). These financial statements of the Group also comply with the International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB") where possible (refer to Note 1(b)).

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b) Incomplete records

To prepare this financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data provided by the Receivers and extracted from the Group's accounting system for the year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the accounts. These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration and receivership process of the Company.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial position as at 30 June 2016.

c) Going concern

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below. The following summary is not a substitute for the terms of the DOCA and the Recapitalisation Proposal, which forms Schedule 1 to the DOCA. Capitalised terms not defined below have the meanings given to them in the DOCA or Recapitalisation Proposal.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

c) Going concern (continued)

a) The Company will consolidate its existing shares on a one (1) for (30) basis.

b) The Syndicate (or nominees of the Syndicate) will provide $440,000 cash towards the creditors of the Company (Creditor Payment). A total of $30,000 to be paid as a deposit, upon execution of the varied DOCA and the balance to be made available following receipt of creditor and shareholder approval of the recapitalisation proposal.

c) The Creditor Payment will be loaned into the Company, following shareholder approval and shall be repaid from the below capital raisings (which will be subject to the receipt of shareholder approval). It is proposed that the capital raisings will be as follows:

   (i) Up to 250,000,000 shares at not less than $0.02 to raise $5,000,000;

   (ii) Up to 75,000,000 shares and 50,000,000 options to acquire shares with an exercise price of not less than $0.02 each with an expiry of 4 years from the date of issue, for the acquisition of an asset to re-instate the Company's shares to trading on the ASX; and

   (iii) Up to 75,000,000 Lead Manager Options to acquire shares with an exercise price of not less than $0.02 each with an expiry date of 4 years from the date of issue.

The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

d) The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

e) All secured creditors must release any security over the Company and its assets contemporaneously with the effectuation of the DOCA.

f) The Creditor Payment is made on the basis that following shareholder approval, release of securities, and payment of the Creditor Payment, the DOCA will terminate.

g) All subsidiaries of the Company that are dormant and not required by the Syndicate are to be deregistered, at no cost to the Company or the Syndicate.

h) At completion of the capital raising, the Company's cash position, net of liabilities, is greater than $4m.

For these reasons, the Directors consider the Group to be a going concern. Notwithstanding the material uncertainties of future events inherent in the above, the Directors consider it is appropriate to prepare financial information on a going concern basis and hence no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary if the entity does not continue as a going concern.

d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

d) Principles of Consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investments retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowance and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement. Revenue is recognised for the major business activities as follows:

Service revenue
Revenue from services is recognised in the accounting period in which the services are rendered.

Interest income
Interest income is recognised as its accrues, taking into account the effective yield on the financial asset.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

e) Revenue (continued)

Dividends

Dividends are recognised as revenue when the rights to receive payment are established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be test for impairment as a consequence.

f) 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 Tax Office (ATO).

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of the GST recoverable from, or payable to, the ATO is included with other receivables and payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g) 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 reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference cannot be controlled and it is not probable that the reversal will occur in the foreseeable future.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

g) Income Tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks with original maturity of three months or less.

i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measures at amortised costs, 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 reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is 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 effective of discounting is material.

The amount of the impairment loss is recognised in profit and loss within general and administration expense. When a trade receivable for which an impairment allowance had 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 general and administration expenses in the statement of comprehensive income.

j) Inventories

Raw material and consumables
Raw materials and consumables are stated at the lower of costs and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs necessary to make the sale.

Work in progress
Work in progress comprises of unbilled labour and materials incurred to date less progress billings.

Stock obsolescence
All inventory items are reviewed on a regular basis during the year and a provision raised for products where a sale is not likely to occur.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

k) Financial Instruments

Initial recognition and 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

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.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Financial assets at fair value through profit and 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 a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Group does not trade or hold derivatives.

Financial guarantees

The Group has bank guarantees for contract performance.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

k) Financial Instruments

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

l) Impairment of non-financial assets

At the end of each reporting period, the Director assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits.

If any such indication exists, an impairment test is carried out on the asset by comparing the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

m) Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the items can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the pirating period in which there are incurred.

Depreciation is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives of, in the case of property improvements and certain lease plant and equipment, the shorted lease term as follows:

Property improvements	10 to 25 years
Plant and equipment	5 to 20 years
Vehicles	5 to 15 years
Furniture, fittings and equipment	5 years
Low value pooled assets	3 years

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

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

m) Property, plant and equipment (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 carrying amount. These are included in the income statement.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowing using the effective interest method. Fees pad on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

p) Provisions

Provisions are recognised when the Group 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.

q) Employee Benefits

Short-term obligations
Liabilities for wages, salaries and annual leave, including non-monetary benefits expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations
The liability for long service leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore recognised in the provision for employee benefits and measure as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the ended of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflow.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

r) Employee Benefits (continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination at the earliest of the following dates; (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring what is within the scope of AASB137 and involved the payments of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Profit sharing and bonus plans

The Group recognised a liability and an expense for bonuses and profit-sharing case on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision when contractually obliged or when it is past practice that has created a constructing obligation.

s) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity within the Group is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognized in other comprehensive Income; otherwise the exchange difference is recognised in profit or loss.

u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

v) Adoption of new and revised accounting standards

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Company
AASB 9 Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially- reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. **Classification and measurement** AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. **Financial assets** a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2018	1 July 2018

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Company
	Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.		
AASB 15 Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue – Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).	1 January 2018	1 July 2018

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Company
AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting: • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting: • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases-Incentives SIC-27 Evaluating the Substance of Transaction Involving the Legal Form of a Lease.	1 January 2019	1 July 2019

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Company
AASB 2015-1	AASB 7 Financial Instruments: Disclosures: • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 134 Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 July 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127.	1 January 2016	1 July 2016
AASB 2014-4	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.	1 January 2016	1 July 2016

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

New/revised pronouncement	Explanation of amendments	Application Date of Standard	Application Date of Company
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.		

The Company has decided not to early adopt any of the new and amended pronouncements. The impact of the above standards is yet to be determined unless noted otherwise above.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

w) Critical Accounting estimates and judgements

The Directors evaluates estimates and judgements incorporated into the financial statements 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 and judgements

Impairment - General

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016	30 June 2015
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES		**$'000**	**$'000**
Revenue from continuing operations			
Sales revenue		63,734	56,849
Other revenue		225	155
Total revenue from operating activities		**63,959**	**57,004**
Expenses			
Depreciation			
Motor vehicles		*	795
Plant and equipment		*	1,813
Leasehold improvement		*	18
Office furniture and equipment		*	82
Low value pool		*	33
Total depreciation		**2,163**	**2,741**
Amortisation			
Intangible assets		3	46
Total amortisation		**3**	**46**
Impairment			
Impairment of property, plant and equipment		*	2,401
Impairment of intangibles		*	940
Total impairment		*	**3,341**
General and administration expense		7,639	8,006
Vehicle and equipment costs		2,972	2,258
Finance costs		1,039	5,875
Employee benefits		5,609	9,551
Rental expense		2,019	2,840
Total		**19,278**	**28,530**

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016	30 June 2015
NOTE 3: INCOME TAX		**$'000**	**$'000**
(a) Income tax expense			
Current tax		*	198
Deferred tax		*	198
(b) The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax on operating loss at 30% (2015: 30%)		(1,422)	(8,798)
Add / (Less)			
Tax effect of:			
Entertainment		*	3
Fines		*	31
Legal fees		*	514
Deferred tax asset not brought to account		*	(8,250)
De-recognition of deferred tax balances		*	198
Current year revenue losses nor recognised as DTA		*	(8,250)
Income tax attributable to operating loss		*	198

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

Carry forward losses

Potential future income tax benefits attributable to tax losses carried forward have not been brought to account at 30 June 2016, because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

Deferred tax

Disclosure of each type of temporary difference as at 30 June 2016 and the amount of any unrecognised deductible temporary differences or unused tax losses has not been included as the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2016.

The totals of remuneration paid to KMP during the year are as follows:

	30 June 2016 $'000	30 June 2015 $'000
Short-term employee benefits	*	1,392
Post-employment benefits	*	102
Equity Settled	*	-
Other payments	*	-
Total KMP Compensation	*	1,494

∗ The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

Loans to Key Management Personnel

To the best of the Directors' knowledge, they are not aware of any loans to Key Management Personnel during the financial year.

Other KMP Transactions

To the best of the Directors' knowledge, they are not aware of other transactions with Key Management Personnel.

NOTE 5: AUDITOR'S REMUNERATION	30 June 2016 $'000	30 June 2015 $'000
Remuneration of the auditor of the Group for:		
- auditing or reviewing the financial reports	*	323
- other services	*	7
	*	330

∗ The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 6: LOSS PER SHARE	30 June 2016 $'000	30 June 2015 $'000
Earnings per share (in cents)	(1.87)	(11.67)
Loss used in calculation of basic EPS	(4,740)	(29,526)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	252,915,402	252,915,402

Diluted loss per share has not been calculated as any option outstanding at 30 June 2016 and 30 June 2015 will be anti-dilutive.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7: CASH FLOW INFORMATION	**Note**	**30 June 2016 $'000**	**30 June 2015 $'000**
Loss after income tax		(4,740)	(29,526)
Non-cash flows in loss after income tax			
Impairment of non-current assets		-	3,341
Depreciation and amortisation expense		2,166	2,787
Bad debts expense		-	2,117
Borrowing costs		-	3,857
Net (gain) loss on sales of non-current assets		-	599
Changes in assets and liabilities			
- (Increase)/decrease in trade debtors		(3,283)	4,715
- (Increase)/decrease in inventories		177	483
- (Increase)/decrease in other		48	-
- Increase/(decrease) in trade creditors		4,884	9,529
-Increase/(decrease) in provisions		282	31
Cash flow used in operations		(466)	(2,067)

Credit Standby Facilities

The Group has an overdraft facility with Macquarie Bank.

Non-Cash investing and financing activities

There were nil non-cash investing and financing activities for the year.

NOTE 8: TRADE AND OTHER RECEIVABLES	**Note**	**30 June 2016 $'000**	**30 June 2015 $'000**
CURRENT			
Trade receivables	(a)	11,107	8,159
Provision for impairment of trade receivables	(c)	(118)	(234)
Total trade receivables		10,989	7,925
Other receivables	(b)	663	2,396
Provision for impairment of other receivables	(c)	-	(1,952)
Total other receivables		663	444
Total trade and other receivables		**11,652**	**8,369**

(a) Trade receivables are on normal commercial arrangement and are paid 60 days after volume verification by the purchaser.

(b) Other receivables are non-interest bearing and have payment terms between 30 and 60 days.

(c) An allowance has been made for all balances in trade and other receivables.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9: INVENTORIES	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
Raw materials and stores – at costs		960	1,255
Less: provision for obsolescence		(90)	(190)
		870	1,065
Work in progress – at costs		598	580
Total inventories		**1,468**	**1,645**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
Pooled assets			
Cost or fair value		*	88
Accumulated depreciation		*	(33)
Net book value		30	55
Motor vehicles			
Cost or fair value		*	8,446
Accumulated depreciation		*	(5,693)
Net book value		2,081	2,753
Leasehold improvements			
Cost or fair value		*	508
Provision for impairment		*	(139)
Accumulated depreciation		*	(54)
Net book value		297	315
Plant and equipment			
Cost or fair value		*	18,686
Provision for impairment		*	(1,282)
Accumulated depreciation		*	(12,087)
Net book value		5,310	5,317
Furniture and fixtures			
Cost or fair value		*	849
Provision for impairment		*	(105)
Accumulated depreciation		*	(638)
Net book value		160	106
Work In Progress		123	-
Total net book value		**8,001**	**8,546**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 11: TRADE AND OTHER PAYABLES	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
CURRENT			
Trade payables		7,674	3,376
Other payables		23,506	20,514
		31,180	23,890

(a) Fair value

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 12: BORROWINGS	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
Current			
Bank overdraft		785	319
Bank loans		22,668	21,123
Hire purchase liabilities		2,555	2,941
Total current borrowings		**26,008**	**24,383**
Non-current			
Hire purchase liabilities [1]		-	1,848
Total non-current borrowings		**-**	**1,848**

(a) Secured liabilities

The total secured liabilities are as follows:

Overdraft facility		785	319
Bank loans		22,668	21,123
Hire purchase liabilities		2,555	4,789
Total secured liabilities		**26,008**	**26,231**

(b) Assets pledged as security

The bank loan and overdraft facility is secured by security cover all of the Group's property that it has at any time, sufficient right, interests or powers to grant security interests.

Macquarie as the Group's financier, has taken options over 15 million issued shares and a commercial property. These assets are provided by a private company under the control of former key management personnel of the group.

[1] Non-current hire and purchase liabilities have been transferred to current.

NOTE 12: BORROWINGS	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**

The carrying amounts of assets pledged as security for additional current and non-current borrowings are:

Current			
Trade and other receivables		11,652	8,369
Inventories		1,468	1,645
Total current assets pledged as security		**13,120**	**10,014**
Non-current			
Property, plant and equipment		8,001	8,546
Total non-current assets pledged as security		**8,001**	**8,546**
Total assets pledged as security		**21,121**	**18,560**

NOTE 13: PROVISIONS	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
Current			
Provision for annual leave		1,120	851
Provision for long service leave		73	60
Total current		**1,193**	**911**
Non-current			
Long service leave		250	250
Total non-current		**250**	**250**

NOTE 14: ISSUED CAPITAL	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
(a) Issued Capital:			
Ordinary shares fully paid		18,383	18,383

(b) Movement in ordinary share capital of the Company during the period was as follows:

	Number	**$'000**
Opening balance at 1 July 2015	252,915,402	18,383
Closing balance at 30 June 2016	**252,915,402**	**18,383**

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Shares have no par value.

NOTE 15: RESERVES	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
Transactions with non-controlling interests		502	502
Total reserves		**502**	**502**

NOTE 16: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

A.C.N 009 161 522 Limited and its controlled entities operate in one business segment, being Mining Services, in Australia. The various products and services all relate to the same economic characteristics and are sold to a common set of customers. Based on the operation of a single segment and geography, separate segment numbers have not been provided as the financial statements represent one segment.

NOTE 17: FINANCIAL INSTRUMENTS

The Group was placed into voluntary administration and receivership by the Groups main lender Macquarie Bank on 11 February 2016. As detailed in Note 1 (b), to prepare the financial report, the Directors have utilised the information provided by the Receivers and Managers to reconstruct the financial records of the Group. Accordingly, the Directors have not been able to make the required disclosures as this information is unascertainable due to the receivership and administration process.

As a result of this, the preparers of this report have determined that the inclusion of the disclosures related to the previous directors' financial risk management policy inclusive of the prior year comparatives could be misleading to readers of this Annual Report.

NOTE 18: RELATED PARTY TRANSACTIONS	**Note**	**30 June 2016**	**30 June 2015**
		$'000	**$'000**
(a) Parent entities			
The ultimate parent entity is A.C.N 009 161 522 Limited			
(b) Subsidiaries			
Interest in subsidiaries are note in Note 20			
(c) Key management personnel compensation			
Short-term employee benefits		*	1,392
Post-employment benefits		*	102
		*****	**1,494**
(d) Transactions with other related parties			
The following transactions occurred with related parties:			
Sale of good and services to related parties		*	58
Hire of property, plant and equipment from related praties		*	1,935

NOTE 18: RELATED PARTY TRANSACTIONS (continued)

	Note	30 June 2016 $'000	30 June 2015 $'000
(d) Transactions with other related parties			
Superannuation contributions on behalf of employees		*	14
Remuneration paid to directors of the ultimate Australian parent entity		*	192

(e) Outstanding balances arising from sales/purchase of goods and service

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivable	*	125

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 19: PARENT ENTITY DISCLOSURES

(a) Financial Position of A.C.N 009 161 522 Limited

	Note	30 June 2016 $'000	30 June 2015 $'000
ASSETS			
Current assets		*	121
Non-current assets		*	6,888
Total assets		*	7,009
LIABILITIES			
Current liabilities		*	7,476
Total liabilities		*	7,476
NET ASSETS/ (LIABILITIES)		*	**(467)**
SHAREHOLDERS' DEFICIT			
Issued capital		*	8,175
Accumulated Losses		*	(8,642)
SHAREHOLDERS' DEFICIT		*	**(467)**

(b) Financial Performance of A.C.N 009 161 522 Limited

Loss for the year	*	(9,238)
Other comprehensive income	*	-
Total comprehensive loss	*	**(9,238)**

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 19: PARENT ENTITY DISCLOSURES (continued)

(c) Guarantees entered into by A.C.N 009 161 522 Limited for the debts of its subsidiary

There are no known guarantees entered into by A.C.N 009 161 522 Limited for the debts of its subsidiary as at 30 June 2016 (2015: Nil).

(d) Contingent liabilities of A.C.N 009 161 522 Limited

There were no known contingent liabilities as at 30 June 2016 (2015: Nil).

(e) Commitments by A.C.N 009 161 522 Limited

There were no known commitments as at 30 June 2016 (2015: Nil).

NOTE 20: CONTROLLED ENTITIES CONSOLIDATED

A.C.N 009 161 522 Limited

		Percentage Owned	
Controlled entities	**Country of Incorporation**	**2016**	**2015**
SubZero Holdings Pty Limited	Australia	100%	100%
DPS Newco Pty Ltd	Australia	100%	100%
Line Boring Unit Trust	Australia	100%	100%
Mining Services Unit Trust	Australia	100%	100%
Bro Built Unit Trust	Australia	100%	100%
SF Auto Australia Pty Limited	Australia	100%	100%
Harness Masters Wising Systems (NSW) Pty Limited	Australia	100%	100%
DMST Pty Limited	Australia	100%	100%
Hydraulic Isolator & Safety Technology Pty Limited	Australia	100%	100%
SubZero Labour Services Pty Ltd	Australia	100%	100%
SubZero Mechanical Support Pty Ltd	Australia	50%	50%
Milford Hills Pty ltd	Australia	50%	50%

NOTE 21: OPERATING LEASE COMMITMENTS

(a) Non-cancellable operating leases

The Group leases various office equipment and workshops under non-cancellable operating leases expiring within one to fifteen years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are renegotiated. The minimum lease repayments in relation to the non-cancellable operating leases are payables as follows:

	30 June 2016 $'000	30 June 2015 $'000
No longer than 1 year	*	2,162
Longer than 1 year and not longer than 5 years	*	7,125
Longer than 5 years	*	10,523
Total commitment for non-cancellable leases	*	19,810

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 21: OPERATING LEASE COMMITMENTS (continued)	30 June 2016 $'000	30 June 2015 $'000

(b) Hire purchase liabilities

The Group acquired various items of plant and equipment and motor vehicles under hire purchase expiring one to five years. The commitments in relation to hire purchase are payable as follow:

Within one year	*	3,133
Later than one year but not later than five years	*	1,969
Minimum lease payments	*	5,102
Future finance charges	*	(313)
Total lease liabilities	*	4,789
Representing lease liabilities		
Current	*	2,941
Non-current	*	1,848
Total commitment for hire purchase liabilities	*	4,789

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 22: CONTINGENT LIABILTIES	30 June 2016 $'000	30 June 2015 $'000

The Group's contingent liabilities were as follows:

(a) Guarantees and letter of credit

Bank guarantees for contract performance	*	19
Total estimated contingent liabilities	*	19

* The Group was placed into voluntary administration and receivership on 11 February 2016. As a result of this and as detailed in Note 1 (b), the Directors do not have access to sufficient information to enable this level of disclosure to be made.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

On 12 August 2016, the Receivers entered into an Asset Sale Agreement for the sale of the business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS").

The sale of business and assets of the Group (excluding the SZ Labour business and HMWS Business and the 50% interest in the Moranbah Joint Venture) with Management Resource Solutions PLC ("MRS") was completed on 30 September 2016.

The second meetings of creditors of companies in the Group was held on 14 November 2016 at which the creditors resolved the:

- With respect to the Company to execute a Deed of Company Arrangement ("DOCA") and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators ("Deed Administrators"); and

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE (continued)

- With respect to the other entities in the group (other than the Company) creditors have resolved to wind up the subsidiary Entities and appoint Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Liquidators.

On 5 December 2016, the Company executed the DOCA, with Mr Philip Campbell-Wilson and Mr Adam Nikitins as Joint and Several Deed Administrators.

The DOCA provides for, inter alia, the recapitalisation of the Company and (subject to regulatory approval) re-quotation of its securities on the ASX.

A summary of the material terms of the "Recapitalisation Proposal" in relation to the Company is set out below. The following summary is not a substitute for the terms of the DOCA and the Recapitalisation Proposal, which forms Schedule 1 to the DOCA. Capitalised terms not defined below have the meanings given to them in the DOCA or Recapitalisation Proposal.

a) The Company will consolidate its existing shares on a one (1) for (30) basis.

b) The Syndicate (or nominees of the Syndicate) will provide $440,000 cash towards the creditors of the Company ("Creditor Payment"). A total of $30,000 to be paid as a deposit, upon execution of the varied DOCA and the balance to be made available following receipt of creditor and shareholder approval of the recapitalisation proposal.

c) The Creditor Payment will be loaned into the Company, following shareholder approval, and will be repaid from the following capital raisings (which are subject to the receipt of shareholder approval). It is proposed that the capital raisings will be as follows:

   (i) Up to 250,000,000 shares at not less than $0.02 to raise $5,000,000;

   (ii) Up to 75,000,000 shares and 50,000,000 options to acquire shares with an exercise price of not less than $0.02 each with an expiry of 4 years from the date of issue, for the acquisition of an asset to re-instate the Company's shares to trading on the ASX; and

   (iii) Up to 75,000,000 Lead Manager Options to acquire shares with an exercise price of not less than $0.02 each with an expiry date of 4 years from the date of issue;

The proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, subject to both ASX and shareholder approval.

d) All of the directors of the Company will be removed and replaced by nominees of the Syndicate.

e) All secured creditors must release securing any security over the Company and its assets contemporaneously with the effectuation of the DOCA.

f) The Creditor Payment is made on the basis that following shareholder approval, release of securities and payment of the Creditor Payment, the DOCA will terminate.

g) All subsidiaries of the Company that are dormant and not required by the Syndicate are to be deregistered, at no cost to the Company or the Syndicate.

h) At Completion of the capital raising, the Company's cash position, net of liabilities, is greater than $4m.

On 9 February 2017, the Australian Securities and Investment Commission ("ASIC") granted the Company relief from its financial reporting requirements and it does not need to comply with any of the following obligations under Part 2M.3 of the Corporations Act in relation to half year ended 31 December 2015, year ended 30 June 2016 and half year ended 31 December 2016:

- Reporting to members of the Company under section 314 within the time required by section 315;
- Send report to a member of the Company in accordance with a request under subsection 316(a) within the time required by subsection 316(2);
- Lodge reports with ASIC under subsection 319(1) within the required time by that subsection.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE (continued)

On 3 March 2017, at a duly convened creditors meeting of the Company, pursuant to Section 445F of the Corporations Act, the creditors resolved to approve a variation to the DOCA. On the same day, the Company, the Deed Administrators, the Secured Creditor and Otsana Pty Ltd executed the variation to the DOCA.

On 29 June 2017, the director Graham (Joe) Clayton resigned from office and Michael Davy, Nicholas Young and Kyla Garic were appointed as Directors of the Company.

DIRECTOR'S DECLARATION

1. In the opinion of the Directors of the Group;

(a) As set out in Note 1(b), although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, to the best of their knowledge based on the information made available to them, they are of the opinion that it **is not possible** to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(iii) Complying with International Financial Reporting Standards.

2. Subject to the matters highlighted in Note 1 (c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The declaration required to be made in accordance with Section 295A of the Corporation Act 2001 for the financial year ended 30 June 2016 has been unable to be made due the reasons set out in Note 1(b).

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by

Michael Davy
Non-Executive Director
Dated 30 June 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
A.C.N 009 161 522 LIMITED (SUBJECT TO A DEED OF COMPANY ARRANGEMENT)

Disclaimer of Opinion

We were engaged to audit the financial report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) and its controlled entities (the Group), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) was placed into voluntary administration and receivership on 11 February 2016. We were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the consolidated statement of cash flows for the year ended on that date. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

Emphasis of Matter

We draw attention to Note 1. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Responsibilities of the Directors 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 ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Corporations Act 2001 and 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.

Report on Remuneration Report

We were engaged to audit the Remuneration Report included within the directors' report for the year ended 30 June 2016. 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.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we were unable to, and do not express an opinion as to whether, the Remuneration Report of A.C.N 009 161 522 Limited (subject to a Deed of Company Arrangement) for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 June 2017