

**SMART CONNECTION COMPANY PTY LTD**

**FINANCIAL REPORT**  
FOR THE YEAR ENDED 30 JUNE 2012

## SMART CONNECTION COMPANY PTY LTD

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**SMART CONNECTION COMPANY PTY LTD**

**PROFIT AND LOSS STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Revenue	2,706,118	1,565,157
Consumables Used	(580,010)	(119,576)
Employee Benefits Expense	(250)	(3,598)
Depreciation and Amortisation Expenses	(46,919)	(35,436)
Finance Costs	(3,191)	(6,959)
Other Expenses	<u>(1,543,250)</u>	<u>(1,352,471)</u>
<b>Profit Before Income Tax Expense</b>	532,498	47,117
Income Tax Expense	<u>(134,753)</u>	<u>(15,648)</u>
<b>Profit for the Year</b>	<u><b>397,745</b></u>	<u><b>31,469</b></u>
Profit Attributable to Member of the Company	<u><u>397,745</u></u>	<u><u>31,469</u></u>

The accompanying notes form part of these financial statements.

# SMART CONNECTION COMPANY PTY LTD

## BALANCE SHEET

AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	262,496	36,574
Trade and Other Receivables	3	527,030	268,988
Other Current Assets	4	347	2,509
<b>TOTAL CURRENT ASSETS</b>		<b>789,873</b>	<b>308,070</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	5	119,106	149,981
Intangibles	6	1	1
Deferred Tax Assets	7	8,346	11,044
<b>TOTAL NON-CURRENT ASSETS</b>		<b>127,453</b>	<b>161,026</b>
<b>TOTAL ASSETS</b>		<b>917,326</b>	<b>469,096</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	247,671	207,422
Borrowings	9	28,285	31,246
Current Tax Liabilities	7	115,643	-
Short-Term Provisions	10	27,819	30,283
Other	11	30,485	106,580
<b>TOTAL CURRENT LIABILITIES</b>		<b>449,903</b>	<b>375,532</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	9	3,885	6,771
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,885</b>	<b>6,771</b>
<b>TOTAL LIABILITIES</b>		<b>453,788</b>	<b>382,304</b>
<b>NET ASSETS</b>		<b>463,538</b>	<b>86,792</b>
<b>EQUITY</b>			
Issued Capital	12	2	2
Retained Profits		463,536	86,791
<b>TOTAL EQUITY</b>		<b>463,538</b>	<b>86,793</b>

The accompanying notes form part of these financial statements.

# SMART CONNECTION COMPANY PTY LTD

## STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2012

	Share Capital		
	Ordinary shares \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2010</b>	2	185,321	185,323
Profit Attributable to the Member of the Company		31,469	31,469
<b>Subtotal</b>	2	216,791	216,793
Dividend Paid or Provided for		(130,000)	(130,000)
<b>Balance at 30 June 2011</b>	2	86,791	86,793
<b>Balance at 1 July 2011</b>	2	86,791	86,793
Profit Attributable to the Member of the Company		397,746	397,746
<b>Subtotal</b>	2	484,536	484,538
Dividend Paid or Provided for		(21,000)	(21,000)
<b>Balance at 30 June 2012</b>	2	463,536	463,538

The accompanying notes form part of these financial statements.

# SMART CONNECTION COMPANY PTY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>2. CASH AND CASH EQUIVALENTS</b>			
Cash on Hand	(4)		304
Cash at Bank- NAB 6164		239,400	12,665
Cash at Bank - ANZ Corp Transaction Acc		-	504
Security Deposit - Meaden Street		23,100	23,100
		<u>262,496</u>	<u>36,574</u>
<b>3. TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade Debtors		138,756	159,201
Less: Provision for Doubtful Debts		<u>(14,785)</u>	<u>-</u>
		<u>123,971</u>	<u>159,201</u>
Undeposited Funds		-	602
Loans to Directors:			
2011 - Loans to Directors		94,379	108,550
2012 - Loans to Directors		184,312	-
Provision for Income Tax		-	635
Other Debtors		<u>124,369</u>	<u>-</u>
		<u>527,030</u>	<u>268,988</u>
<b>4. OTHER ASSETS</b>			
<b>CURRENT</b>			
Borrowing Costs		400	-
Less Accumulated Amortisation		<u>(53)</u>	<u>-</u>
Prepayments		<u>-</u>	<u>2,509</u>
		<u>347</u>	<u>2,509</u>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Plant and Equipment		99,757	70,533
Less Accumulated Depreciation		<u>(42,865)</u>	<u>(29,413)</u>
		<u>56,892</u>	<u>41,120</u>
Motor Vehicles		38,082	77,208
Less Accumulated Depreciation		<u>(6,477)</u>	<u>(18,351)</u>
		<u>31,605</u>	<u>58,857</u>

**SMART CONNECTION COMPANY PTY LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Fixtures and Fittings		51,325	50,339
Less Accumulated Depreciation		(20,716)	(335)
		<u>30,609</u>	<u>50,004</u>
<b>Total property, plant and equipment</b>		<u><u>119,106</u></u>	<u><u>149,981</u></u>
<b>6. INTANGIBLE ASSETS</b>			
Goodwill		<u><u>1</u></u>	<u><u>1</u></u>
<b>7. TAX</b>			
(a) Liabilities			
<b>CURRENT</b>			
Provision for Income Tax		<u><u>115,643</u></u>	<u><u>-</u></u>
(b) Assets			
<b>NON-CURRENT</b>			
Deferred Income Tax Asset		<u><u>8,346</u></u>	<u><u>11,044</u></u>
<b>8. TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Sundry Creditor		2,750	-
Trade Creditors		129,069	125,507
Other Creditors		111,749	47,411
PAYG Instalments		<u><u>4,103</u></u>	<u><u>34,504</u></u>
		<u><u>247,671</u></u>	<u><u>207,422</u></u>
<b>9. BORROWINGS</b>			
<b>CURRENT</b>			
Wages Accrual		13,695	-
Hire Purchase Liability		15,805	33,716
Less Unexpired Hire Purchase Liability		<u><u>(1,215)</u></u>	<u><u>(2,470)</u></u>
		<u><u>14,589</u></u>	<u><u>31,246</u></u>
		<u><u>28,285</u></u>	<u><u>31,246</u></u>

**SMART CONNECTION COMPANY PTY LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**NON-CURRENT**

Hire Purchase Liability	3,951	6,882
Less Unexpired Hire Purchase Liability	(66)	(111)
	<u>3,885</u>	<u>6,771</u>

**10. PROVISIONS**

Provision for Employee Entitlements	<u>27,819</u>	<u>30,283</u>
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**Analysis of Total Provisions**

Current	<u>27,819</u>	<u>30,283</u>
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**11. OTHER LIABILITIES**

**CURRENT**

Accrued Charges	30,485	111,580
Deferred Income	-	(5,000)
	<u>30,485</u>	<u>106,580</u>

**12. ISSUED CAPITAL**

2 Fully Paid Ordinary Shares of \$1	<u>2</u>	<u>2</u>
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## **SMART CONNECTION COMPANY PTY LTD**

### **DIRECTORS' DECLARATION**

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

The directors of the company declare that:

1. the financial statements and notes as set out on pages 2 to 9 presents fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

  
\_\_\_\_\_  
**Martin Sheppard**

**7th day of September 2012**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART CONNECTION COMPANY PTY LTD

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Smart Connection Company Pty Ltd (the Company), which comprises the balance sheet as at 30 June 2012, the profit and loss statement and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland**

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART CONNECTION COMPANY PTY LTD (CONT)

### *Auditor's Opinion*

In our opinion the financial report of Smart Connection Company Pty Ltd is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 and the Corporations Regulations 2001.

### *Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of Smart Connection Company Pty Ltd for the year ended 30 June 2012 included on Smart Connection Company's web site. The company's directors are responsible for the integrity of the Smart Connection Company's web site. We have not been engaged to report on the integrity of the Smart Connection Company's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**H. D. Paton**  
Director

Dated this 7<sup>th</sup> day of September, 2012

**Sydney  
Melbourne  
Brisbane  
Perth  
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