

**BISAN Ltd**

**ABN 75 006 301 800**

**BISAN LIMITED AND  
CONTROLLED ENTITIES**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2015**

## Contents

<b>Corporate Directory .....</b>	<b>2</b>
<b>Letter from the Chairman .....</b>	<b>3</b>
<b>Directors' Report .....</b>	<b>4</b>
<b>Remuneration Report (Audited) .....</b>	<b>15</b>
<b>Corporate Governance Statement .....</b>	<b>19</b>
<b>Auditors' Independence Declaration .....</b>	<b>31</b>
<b>Independent Auditor's Report .....</b>	<b>32</b>
<b>Directors' Declaration .....</b>	<b>34</b>
<b>Financial Results .....</b>	<b>35</b>
<b>Additional Information .....</b>	<b>60</b>

# Corporate Directory

**Bisan Limited**  
**ABN 75 006 301 800**

## **DIRECTORS**

Mr Avi Kimelman  
Mr David Herszberg  
Mr Peter Chai  
Mr Lei Ding

Chairman  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

## **COMPANY SECRETARY**

Alyn Tai

## **REGISTERED OFFICE**

Suite 2, 71 Kooyong Rd  
North Caulfield VIC 3163

T + 61 (03) 8506 0514

## **SHARE REGISTER**

Computershare  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

Local call 1300 850 505  
International call + 61 (0)  
3 9415 4000

## **AUDITOR**

Grant Thornton Audit Pty Ltd  
Level 30  
525 Collins Street  
Melbourne, Victoria 3000

Bisan Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australia Securities Exchange. (ASX: BSN).

# Letter from the Chairman

Dear Shareholders,

## The Year in Review

On behalf of the Board I am pleased to present the Annual Report of Bisan Limited (**Bisan** or the **Company**) and its controlled entities (the **Group**) for the financial year ended 30 June 2015 (**FY15**).

In FY15, Bisan focused on assessing its business objectives and set out its strategy moving forward. The Company underwent a number of strategic changes designed to generate value for its shareholders.

The current Directors collectively possess an effective blend of expertise in fund raising, investment portfolio management and executive management, and intend to focus on delivering initiatives designed to ultimately enhance shareholder value which, in the Board's view, is not presently reflected in the Company's current market capitalisation.

## Activities & Outlook

Bisan has actively sought and evaluated a number of investment opportunities. During the year additional investments were made in the unlisted company P-Fuel Limited ("P-Fuel"). P-Fuel has a process that claims to convert both waste plastics and waste oils into diesel. Bisan is a major shareholder in P-Fuel with a stake of approximately 16.39%. It has further advanced a loan of \$315,000 to provide working capital to P-Fuel.

During the year, the Company considered an investment in Pencil Hill Ltd which held an interest in the "Pencil Hill" graphite prospecting licence in Botswana. The due-diligence returned significant graphite results over a strike length of at least 25 km and exploration confirmed the potential for a large graphite tonnage discovery, the eligible Board members of Bisan resolved not to proceed with the investment due to the sudden collapse of commodity prices.


In the first half of 2015 the Company decided to form a new venture to establish a new business for the trading of second hand smart phones with Mr Yehuda Shmaya Szender ("Szender"). A corporate structure was established and the first batch of smart phones was acquired from the UK. Szender subsequently took possession of the phones. The Company was successful in late August 2015 in obtaining Court orders against Szender in the Supreme Court of Victoria. The Company is assessing its options in respect to how it may recover funds from Szender.

## Capital Raisings

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. During the year the Company issued a total of 244,237,212 fully paid ordinary shares to raise additional capital of \$1,652,528 before costs. A further 1,500,000 fully paid ordinary shares were issued at a deemed issue price of one and a half cents (\$0.015) per share as consideration for the acquisition of further shares in P-Fuel.

The Board wishes to thank all of its long standing and new shareholders for their support.

Yours faithfully



**Avi Kimelman**  
Chairman  
18 March 2016

# Directors' Report

The Directors of Bisan Limited are pleased to present the annual report of the Company for the financial year ended 30 June 2015. In accordance with the Corporations Act 2001, the Directors report as follows:

## DIRECTORS

The Directors in office at any time during or since the end of the year to the date of this report are:

### Current Directors

<b>AVI KIMELMAN</b>	Chairman
<b>DAVID HERSZBERG</b>	Non-Executive Director
<b>PETER CHAI</b>	Non-Executive Director
<b>LEI DING</b>	Non-Executive Director

### Former Directors

<b>PATRICK J VOLPE</b>	Non-Executive Director (ceased role as a Director on 1 February 2016)
<b>JONATHAN ROSEN</b>	Non-Executive Director

### Current Directors

**Mr Avi Kimelman** | Chairman

Avi Kimelman was appointed to the Board on 6 December 2013. Avi has held senior positions in both local and overseas listed entities across a diverse range of businesses, industries and investment disciplines. Avi was appointed Chairman of the Board of Directors on 7 September 2015.

He has developed a reputation within the resources sector for identifying valuable assets and projects around the globe, raising capital for these projects through his extensive investor network as well as successfully negotiating the related transactions, particularly in the mining/oil and gas sector. He has been active in sourcing and securing various projects overseas whilst maintaining interests in both printing and manufacturing plants in Australia.

Avi is presently the Chief Executive Officer of Quantum Resources Limited (ASX: QUR), and was integral to the recently announced LogiTag transaction entered into by Quantum Resources Limited.

Avi has a relevant interest in 22,738,921 shares and 8,793,333 options in Bisan.

**Mr David Herszberg** | Non-Executive Director

David Herszberg was appointed to the Board on 10 May 2012. David has more than twenty years of corporate and management experience. He has served in various positions as president or director of a number of private companies, both in Australia and the United States. David has extensive consumer electronics experience and was active in bringing electronic products to Australia. Further, David has extensive experience in the commercial property market in both developments and investments.

David is presently a Non-Executive Director of the ASX-listed company Cohiba Minerals Limited (ASX: CHK). In the last three years, David has also been a director of Altius Mining Limited (ASX: AYM) (now Australia United Mining Limited) and Lemarne Corporation Limited (ASX: LMC).

David has a relevant interest in 9,666,666 shares and 3,866,666 options in Bisan.

### **Mr Peter Chai | Non-Executive Director**

Peter Chai was appointed to the Board on 1 February 2016. Peter has more than thirty years of experience in corporate management and has held senior management positions in various listed entities in South-East Asia and Hong Kong. His expertise is in finance and funds management.

Peter also has excellent and in-depth knowledge and strong international contacts across the Asia-Pacific region. He was a special assistance to the late Datuk Ahmad Jaafar former Governor of Central Bank of Malaysia and Central Bank of Namibia

### **Mr Lei Ding | Non-Executive Director**

Lei Ding was appointed to the Board on 1 February 2016. Lei is the founding director of Guangxi Hengsheng Holding Group Limited and Guangxi Impression Sanjie Liu Cultural Industry Investment LTD. He is currently the Executive Director of China Xinhai International Investment Holding Group Limited.

Lei has more than twenty years of corporate and management experience in finance, real estate, iconic cultural development projects and investment management.

### **Former Directors**

#### **Mr Patrick J Volpe | Non-Executive Director**

Patrick Volpe retired as Non-Executive Director of the Company effective 1 February 2016, to pursue other business interests.

Patrick has extensive experience in mining, media, transport, manufacturing, banking and stockbroking with a particular emphasis on corporate restructuring, business acquisitions, investment advising and capital raisings. He has a strong financial background and is a member of CPA Australia. Patrick controls Vernar Pty Ltd, a substantial shareholder in the Company. He was Chairman of the Board of Directors until 7 September 2015.

During the last three years Patrick has served as a director of ASX listed companies Cardia Bioplastics Limited (ASX: CNN), Genesis Resources Limited (ASX: GES) and Cohiba Minerals Limited (ASX: CHK). He is currently Executive Chairman of Botswana Metals Limited (ASX:BML).

Patrick has a relevant interest in 25,000,000 shares and 10,000,000 options in Bisan.

#### **Mr Jonathen Rosen | Non-Executive Director & Company Secretary**

Jonathen Rosen was appointed Director and Company Secretary of the Company effective 20 October 2015, and suddenly passed away in January 2016.

Jonathen Rosen (B.Com – LL.B – GD.LP) was admitted as a barrister and solicitor of both the Supreme Court of Victoria and the High Court of Australia. A graduate of Monash University with degrees in Law and Commerce (with a double specialisation in Accounting and Finance), he gained both a wide perspective and solid experience in business and corporate areas, accounting and finance, real estate as well as transactional and legal matters. Jonathen was also awarded a Graduate Diploma in Legal Practice by the Leo Cussen Centre for Law.

Jonathen was experienced in conduct of commercial law (transactional and litigation), litigation and alternative dispute resolution, banking and financial services, property law, acquisitions and disposals and corporate matters.

## Company Secretary

### Ms Alyn Tai

Ms Alyn Tai was appointed as Company Secretary on 1 February 2016. Alyn is a practising lawyer who specialises in the areas of corporate and commercial law, and the provision of company secretarial and legal counsel services to ASX-listed entities.

### Former Company Secretary

#### Mr Ramon Jimenez

Ramon Jimenez was appointed as Company Secretary on 19 February 2014. Ramon has qualifications in law and has completed a Bachelor of Commerce with an Accounting major. He has held similar positions with listed and unlisted companies over the past 10 years.

Ramon retired as Company Secretary of the Company effective 20 October 2015.

## Nature of operations and principal activities

The principal activities, during the financial year, of the consolidated entity were investment and trading activities. There were no significant changes in those activities during the year.

### **ABILENE OIL AND GAS LIMITED (FORMERLY WORLD OIL RESOURCES LIMITED)**

On 10 July 2014 Group subsidiary Elken Tower Pty Ltd took up its rights issue entitlement of 10,000,000 fully paid ordinary shares in the ASX listed oil exploration company World Oil Resources Limited (ASX: WLR) (**World Oil**) thereby increasing its holding to 25,000,000 shares. The rights issue entitlement was at \$0.003 per share and the amount invested was \$30,000. The investment in World Oil was made as a follow-on investment in one of the Group's existing holdings in its diversified portfolio of equities. World Oil later changed its name to Abilene Oil and Gas Limited (ASX: ABL) and the shares were consolidated in the ratio of 20:1 resulting in Elken Tower Pty Ltd holding 1,250,000 post-consolidation shares.

### **P-FUEL LIMITED ("P-Fuel")**

On 21 August 2014 Bisan invested a further \$150,000 cash in P-Fuel by subscribing for 3,000,000 new ordinary shares in P-Fuel at a price of 5 cents (\$0.05) per share. P-Fuel has been granted patents for its waste plastic and waste oil to fuel and energy process in several countries including USA, Russia, Australia, Malaysia and South Africa.

On 30 April 2015 the Company entered into a loan agreement with P-Fuel in respect of an unsecured loan of \$315,000 made by the Company to P-Fuel on normal terms and conditions. Interest is payable to the Company monthly in arrears at the same rate of interest as is charged by the Bank of Melbourne on commercial overdrafts.

On 21 May 2015 the Company issued 1,500,000 fully paid ordinary shares at a deemed issue price of 1.5 cents (\$0.015) per share as consideration for the purchase of 375,000 fully paid ordinary shares in P-Fuel. During the financial year the Company has increased its equity interest in P-Fuel from 13.8% to 16.4% and is the largest single shareholder.

## **SIZE TECHNOLOGIES PTY LTD**

In August 2014 the Australian Securities and Investments Commission commenced deregistration action against Size Technologies Australia Pty Ltd (**STA**), a company in which Bisan Limited holds shares. The investment in STA had been written off and the Group had ceased providing funds to STA. STA was deregistered on 2 November 2014.

## **PENCHIL HILL LTD (NOT PROCEEDING)**

The Board considered an investment in Pencil Hill Limited, a pioneering graphite explorer in Botswana, which ultimately did not proceed. Bisan intended to acquire a 30% interest in Pencil Hill Ltd that would hold an 80% interest in the “Pencil Hill” graphite prospecting licence in Botswana.

In January 2015 the non-associated Directors decided not to proceed with the investment in Pencil Hill. In view of his interests in Pencil Hill Ltd and the prospecting licence, Mr Patrick Volpe did not participate in the deliberations of the Board of Directors regarding the decisions to undertake due-diligence or to withdraw from the investment.

## **MYGENERATION SMARTPHONES**

On 13 February 2015 the Company announced the establishment of a new subsidiary “MyGeneration Smartphones” in Hong Kong. MyGeneration Smartphones would sell ‘brand generation’ smartphones (including Apple and Samsung). The smartphones were to be sold into emerging markets to compete against local home brands and will be offered with various grades that will determine a competitive pricing model.

Bisan advised the ASX on 11 June 2015 that Mr Yehuda Szender refused to provide access to the smart phones, which were ready to be resold into the Hong Kong markets.

The Board appointed legal advisers in both Melbourne and Hong Kong to advise legal implications arising from Szender’s conduct. On 18 August 2015, the Supreme Court of Victoria made orders that Yehuda Shmaya Szender pay the Bisan group AUD 30,157.90 plus GBP 169,854.18 (both amounts include interest) together with the costs of the proceedings.

Bisan is considering the options available for the enforcement of the Court orders both within and outside Australia.

## **ANNUAL GENERAL MEETING**

On 28 November 2014 the Company held its Annual General Meeting. All business put to the meeting was approved including resolutions to: refresh the Company’s placement capacity under ASX Listing Rule 7.1, approve additional placement capacity under ASX Listing Rule 7.1A, approve the Bisan Limited Performance Rights Plan, approve the grant of Performance Rights to Directors and to authorise the issue of free attaching options to investors that participated in the placement announced on 23 July 2014.

## **OTHER INVESTMENTS**

At the end of the financial year, in addition to the investments in P-Fuel and Abilene Oil and Gas Limited, the Group holds investments in other listed and unlisted entities including:

- Black Star Petroleum Limited (ASX: BSP).
- Jernigan Commodities Pty Ltd (unlisted company).
- Kaboko Mining Limited (ASX: KAB).
- Lemarne Corporation Limited (ASX: LMC).



## **CAPITAL RAISINGS**

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden the Company's current business offerings. During the year the Company raised a total of \$1,652,478 through capital raisings listed below.

On 29 July 2014 the Company issued 37,130,895 fully paid ordinary shares at an issue price of 1.5 cents (\$0.015) cash per share to raise \$556,963 by way of placement to professional and sophisticated investors. On 2 December 2014, each of these investors received one free attaching option per share issued, with an exercise price of 5 cents (\$0.05) per option and an expiry date of 31 December 2018.

On 17 February 2015 the Company issued 50,000,000 fully paid ordinary shares at an issue price of 0.62 cents (\$0.0062) cash per share payable in full on application to raise \$310,000 (before costs) by way of placement to professional and sophisticated investors. The terms for the placement provided for the issue of free one-for-one attaching options with an exercise price of 1.5 cents (\$0.015) per option and an expiry date of 30 June 2018. These options were issued on 12 June 2015.

On 13 February 2015 the Company announced a pro-rata renounceable two for three issue of fully paid ordinary shares plus one free attaching option at no cost for each share subscribed for exercisable at 1.5 cents (\$0.015) expiring 30 June 2018. As announced on 15 April 2015, the Company raised the full amount of \$785,515 sought and the Company issued a total of 157,102,984 fully paid ordinary shares and 157,102,984 attaching options under the rights issue on 17 April 2015.

As noted above, on 21 May 2015 the Company issued 1,500,000 fully paid ordinary shares at a deemed issue price of 1.5 cents (\$0.015) per share as consideration for the purchase of 375,000 fully paid ordinary shares in P-Fuel.

On 18 December 2015 Bisan announced that it had secured a placement to raise \$229,656.47 through the placement of 57,414,118 new shares to a number of professional and sophisticated investors. The 57,414,118 shares were issued on 11 January 2016.

### **OPTIONS**

On 2 December 2014 the Company issued 37,130,895 unlisted options to acquire ordinary shares with an exercise price of five cents (\$0.05) per option and an expiry date of 31 December 2018. The options were issued to the investors that participated in the placement announced on 23 July 2014 in accordance with the agreed terms of the placement. Each investor received one free option for each share subscribed. Shareholder approval for the issue of the options was obtained at the Annual General Meeting on 28 November 2014.

On 17 April 2015 the Company issued 157,102,984 free attaching options at no cost free attaching options at no cost exercisable at 1.5 cents (\$0.015) expiring 30 June 2018 to participants in the Company's successful rights issue.

On 7 May 2015 the Company issued 3,333 fully paid ordinary shares on the exercise of 3,333 options at an exercise price of 1.5 cents (\$0.015) per option.

On 12 June 2015 the Company issued 50,000,000 options to acquire ordinary shares with an exercise price of 1.5 cents (\$0.015) per option and an expiry date of 30 June 2018. The options were issued to investors that participated in the placement announced on 13 February 2015 and each investor received one free option for each share subscribed for in accordance with the agreed terms of the placement. Shareholder approval for the issue of the options was obtained at the General Meeting on 12 June 2015.

## PERFORMANCE RIGHTS

On 27 February 2015 the Company issued a total of 9,000,000 Performance Rights to Directors pursuant to shareholder approval obtained at the Annual General Meeting of the Company on 28 November 2014. The Performance Rights were issued as follows:

- Mr Patrick Volpe            4,000,000 Performance Rights
- Mr Avi Kimelman            4,000,000 Performance Rights
- Mr David Herszberg        1,000,000 Performance Rights

The Performance Rights lapsed on 30 June 2015 as the performance conditions were not met.

## Operating results

The consolidated loss of the consolidated entity after income tax amounted to \$1,156,762 (2014: loss of \$821,521).

## State of affairs

During the financial year there were no significant changes in the state of affairs of the consolidated entity other than that referred to above and in the financial statements or notes thereto.

## Events subsequent to balance date and Outlook

On 18 August 2015 the Supreme Court of Victoria ordered that Mr Yehuda Shmaya Szender pay the Group AUD 30,157.90 plus GBP 169,854.18 (both amounts include interest) together with the costs of the proceedings. Bisan is considering the available options for the enforcement of the Court orders both within and outside Australia. Significant uncertainty exists as to the ability of the Group to recover any funds from Szender.

The Directors have examined potential investment opportunities in various areas including waste water management, medical biotechnology and in the financial technology (fintech) market however no material agreements have been entered into and no investment decisions have been made in respect of any opportunity under consideration.

On 7 September 2015 Avi Kimelman was appointed as Chairman of the Board of Directors.

On 20 October 2015:

- Mr Ramon Jimenez resigned as Bisan's Company Secretary.  
Mr Jonathen Rosen was appointed Non-Executive Director and Company Secretary of the Company.
- The Company changed its registered office and principal place of business address and telephone number.

During October and December 2015, the Company received notices under section 249D of the Corporations Act 2001 as follows:

- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to remove Mr Patrick Volpe as a Director of the Company.
- One notice under section 249D from two shareholders, who together hold more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to remove Mr Patrick Volpe as a Director of the Company.
- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on the resolutions to remove Messrs Avi Kimelman and David Herszberg as Directors of the Company and to appoint Messrs Jacob Leo Khouri and Ramon Jimenez as Directors of the Company, and to remove any other Director appointed by Bisan in the time between 1 November 2015 and the date of the meeting at which these resolutions were to be put to shareholders.
- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to appoint Mr Matthew John Hudson as a Director of Bisan.

One of the shareholders that provided a notice to the Company under section 249D (**Requisitioning Shareholder**) purported to call a general meeting of Bisan's shareholders pursuant to section 249E of the Corporations Act, to be held on 15 January 2016. Bisan advised shareholders on 21 December 2015 that this notice was invalid and that Bisan would be calling a general meeting of its shareholders to be held on 29 January 2016. Bisan issued the notice of the 29 January 2016 meeting to shareholders on 22 December 2015.

25,523,290 options, exercisable at 8 cents (\$0.08) each, expired on 31 December 2015.

As announced to the market on 11 January 2016, the general meeting which had been scheduled for 29 January 2016 (and the general meeting which the Requisitioning Shareholder purported to call to be held on 15 January 2016) were cancelled, all parties involved with the section 249D notices reached a conciliated position and the section 249D notices were withdrawn.

As referred to above, Bisan raised \$229,656.47 through the placement of 57,414,118 new shares to a number of professional and sophisticated investors on 11 January 2016.

To the tremendous sadness of the Company, on 11 January 2016, Mr Jonathen Rosen passed away suddenly.

On 1 February 2016, the following changes were made to the Bisan Board and management team:

- Appointment of Messrs Peter Chai and Lei Ding as Directors of Bisan.
- Resignation of Mr Patrick Volpe as a Director of Bisan.
- Appointment of Ms Alyn Tai as Company Secretary of Bisan.

### Likely developments

The Directors will continue to search for investments that are suitable for the Company.

In addition, it is necessary for the Company to raise additional capital in the short term in order to advance any of its current investments or participate in new investments.

## Environmental Regulation and Performance

The Company's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. The Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

## Dividends

It is not recommended that a dividend be declared, and no dividend has been declared or paid since the end of the previous financial year.

## Review of operations

The consolidated entity derived income from its investment activities which are currently insufficient to meet administrative costs, resulting in losses for the year. As a consequence of a rationalisation program in previous financial years, the consolidated entity remains debt free.

After a period of relative inactivity during the year, during which Bisan focused on assessing its options and determining forward strategies, the Company underwent a number of strategic changes levelled at generating value for shareholders.

The current Directors collectively possess an effective blend of expertise in fund raising, investment portfolio management and executive management, and intend to focus on delivering initiatives designed to ultimately enhance shareholder value which, in the Board's view, is not presently reflected in the Company's current market capitalisation.

## Key business risks

Business specific risks that may impact significantly on Bisan, its performance and the price of its shares include:

- the overall performance of management and the ability of senior management to manage business operations;
- there is no assurance that funds expended by Bisan on its investments will result in the realisation of any value for Bisan;
- even if Bisan realises value and generates income from its investments, there is no guarantee that this will occur in the short to medium term;
- additional funding may be required for further expansion of Bisan's investment portfolio, and there is no assurance that Bisan will be able to raise such funding;
- as a company holding investments in a number of entities which operate in various industries, Bisan is indirectly subject to a broad range of factors beyond its control, such as fluctuations in commodities' prices; and
- unexpected circumstances may arise at any time which may have such as adverse impacts on the Company's activities.

The above risks should not be taken to be exhaustive of the risks faced by Bisan or its shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of Bisan and the value of its shares in the future.

## Share based payments

No share based payments were granted to Directors and/or senior management during the financial year.

## Indemnification and Insurance of Directors

During the year, the Company agreed to indemnify all Directors in respect of certain liabilities incurred by them while acting as Directors of the Company.

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The insurance relates to:

- Cost and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

## Directors' Interests

Particulars of Directors' relevant interests in the shares of Bisan as at the date of this report are as follows:

<b>Avi Kimelman</b>	22,738,921 ordinary shares 8,793,333 options (exercisable at \$0.015 on or before 30/06/2018)
<b>David Herszberg</b>	9,666,666 ordinary shares 3,866,666 options (exercisable at \$0.015 on or before 30/06/2018)
<b>Peter Chai</b>	Nil
<b>Lei Ding</b>	Nil

## Meetings of Directors

During the year 4 Directors' meetings were held. The table below sets out the attendance by Directors at meetings.

In addition a number of items of business were approved by circular resolutions during the year.

<b>Directors</b>	<b>No. of meetings eligible to attend</b>	<b>Attended</b>
<b>Avi Kimelman</b>	4	4
<b>David Herszberg</b>	4	4
<b>Patrick J Volpe</b>	2	2

## **Audit, Nomination and Remuneration Committees**

The Board has not established formal remuneration, audit or nomination committees, having regard to the size of the Company and its operations. The Board acknowledges that when the size and nature of the Company warrants the necessity of remuneration, audit or nomination committees, such committees will operate under respective charters which will be approved by the Board.

Presently, the Board as a whole, excluding any relevant affected director, serves as an audit, remuneration and nomination committee to the Company.

## **Auditor Independence**

The auditor's independence declaration is included on page 31 of this Annual Report.

## **Non-Audit Services**

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 10 to the financial statements. No taxation services were provided during the year as per Note 10.

The Directors are satisfied that the provision of non-audit services, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 10 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110. Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

## **Proceedings on Behalf of the Company**

No person has applied for leave of a 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.

## **Corporate Governance**

The consolidated entity's corporate governance statement is contained on pages 19-24 of this Annual Report.

## Options on issue

At the date of this report, the unissued ordinary shares of Bisan underlying the options on issue are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
Issued in prior years:			
29-11-2011	31-12-2015	\$0.08	22,523,290
10-12-2012	31-12-2015	\$0.08	3,000,000
<b>Balance as at 1 July 2014</b>			<b>25,523,290</b>
Issued in FY 15:			
02-12-2014	31-12-2018	\$0.05	37,130,895
17-04-2015	30-06-2018	\$0.015	157,102,984
12-06-2015	30-06-2018	\$0.015	50,000,000
Exercised in current year:			
07-05-2015	30-06-2018	\$0.015	(3,333)
<b>Balance as at 30 June 2015</b>			<b>269,753,836</b>
Expired subsequent to FY15			
31-12-2015	31-12-2015	\$0.08	(25,523,290)
<b>Balance as at date of this report</b>			<b>244,230,546</b>

# Remuneration Report (Audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Bisan's directors and its key management personnel for FY15.

## Remuneration Policy

The Company's remuneration policy is based on the following principles:

- Provide competitive rewards to attract high quality executives;
- Providing where applicable an equity incentive for senior executives that will provide an incentive to executives to align their interests with those of the Company and its shareholders; and
- Ensure that rewards are referenced to relevant employment market conditions.

Remuneration packages may contain the following key elements:

- Primary benefits – salary/fees;
- Benefits, including the provision of motor vehicles and superannuation; and
- Incentive schemes.

## Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

## Remuneration Practices

The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of relevant experience and skill, whilst incurring costs which are acceptable to shareholders.

Presently the Board as a whole, excluding any relevant affected director, serves as a remuneration committee to the Company. The Board is responsible for determining and reviewing compensation arrangements for the directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of directors on a periodic basis, with the overall objective of ensuring shareholder benefit.

There is no specific relationship between the remuneration policy and Bisan's trading performance.

## Remuneration of Non-Executive Directors

Each Non-Executive Director receives a fee for being a Director of the Company and does not participate in performance based remuneration. Non-Executive Directors are encouraged to hold shares in the Company (purchased by the Director on-market). It is considered good governance for Directors to have a stake in the Company.

## Retirement Benefits

Consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations which state that non-executive directors should not be provided with retirement benefits other than statutory superannuation, the Company does not provide retirement benefits to its Non-Executive Directors.



## Remuneration of key management personnel

During the year, the Directors received the following remuneration for the year:

### Directors Remuneration for the year ended 30 June 2015

Consolidated and Parent Entity

	Short Term Benefits			Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Cash Salary & Fees \$	Payables \$	Non-monetary benefits \$			
<b>P J Volpe</b>	36,000	30,000	-	-	-	66,000
<b>D Herszberg</b>	15,000	15,000	-	-	-	30,000
<b>A Kimelman</b>	36,000	30,000	-	-	-	66,000
	<b>87,000</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,000</b>

Salary & Fees include GST (where applicable).

During the year:

- Directors collectively were paid half their annual remuneration of \$150,000 in cash and the balance of \$75,000 was accrued and unpaid at 30 June 2015.
- Current and former directors were paid their accrued remuneration of \$85,000 which was owing as at 30 June 2014.

Other transactions with entities associated with the Directors are set out in Note 13 Related Party Transactions.

### Directors Remuneration for the year ended 30 June 2014

Consolidated and Parent Entity

	Short Term Benefits			Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Cash Salary & Fees \$	Payable \$	Non-monetary benefits \$			
<b>P J Volpe</b>	-	30,000	-	-	-	30,000
<b>D Herszberg</b>	26,650	15,000	-	-	-	41,650
<b>A Kimelman</b>	-	30,000	1,786	-	-	31,786
<b>A Kaye</b>	18,000	10,000	-	-	-	28,000
<b>P Delosa</b>	4,300	-	-	-	-	4,300
<b>J Ceccon</b>	23,650	-	-	-	-	23,650
<b>J Robinson</b>	5,908	-	-	-	-	5,908
<b>D Bernard</b>	2,600	-	-	-	-	2,600
	<b>81,108</b>	<b>85,000</b>	<b>1,786</b>	<b>-</b>	<b>-</b>	<b>167,894</b>

Salary & Fees include GST (where applicable).

Directors fees were accrued and unpaid as at 30 June 2014 for the following directors or former directors: Mr P J Volpe (\$30,000), Mr A Kimelman (\$30,000), Mr D Herszberg (\$15,000) and Mr A Kaye (\$10,000).

Mr P J Volpe was appointed as a director on 18 December 2013. Mr A Kimelman was appointed as a director on 6 December 2013. Mr J Ceccon was a director from 8 November 2012 to 18 November 2013. Mr P Delosa was a director from 18 November 2013 to 18 March 2014. Mr A Kaye was a director from 24 June 2013 to 17 April 2014. Mr J Robinson was a director from 23 August 2013 to 17 October 2013. Mr D Bernard was a director from 1 February 2012 to 26 June 2013.

Other transactions with entities associated with the Directors during the year ended 30 June 2014 are set out in Note 12 Related Party Transactions in the 2014 Annual Report of Bisan Limited.

The number of options over ordinary shares in the Company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

### Number of Options Held by Key Management Personnel at 30 June 2014 and 30 June 2015:

KMP	Balance 01/07/2013	Other	Options Balance 30/06/2014	Total Un- Exercisable	Balance 01/07/2014	Other	Options Balance 30/06/2015	Total Un- Exercisable
P J Volpe	-	-	-	-	-	10,000,000	10,000,000	-
D Herszberg	1,000,000	-	1,000,000	-	1,000,000	3,866,666	4,866,666	-
A Kimelman	-	2,000,000	2,000,000	-	2,000,000	8,793,333	10,793,333	-
Total	1,000,000	2,000,000	3,000,000	-	3,000,000	22,659,999	25,659,999	-

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No options were granted as compensation during the year (2014: Nil).

The number of ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

### Number of Shares Held by Key Management Personnel at 30 June 2014 and 30 June 2015:

KMP	Balance 01/07/2013	Change	Balance 30/06/2014	Balance 01/07/2014	Change	Balance 30/06/2015
P J Volpe	-	15,000,000	15,000,000	15,000,000	10,000,000	25,000,000
D Herszberg	2,900,000	2,900,000	5,800,000	5,800,000	3,866,666	9,666,666
A Kimelman	-	13,945,589	13,945,589	13,945,589	8,793,333	22,738,922
Total	2,900,000	31,845,589	34,745,589	34,745,589	22,659,999	57,405,588

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No shares were granted as compensation during the year (2014: Nil).

### Performance Rights

The establishment of the Bisan Limited Performance Rights Plan was approved by shareholders at the Annual General Meeting on 28 November 2014.

The Performance Rights Plan has been designed to provide incentives for employees and directors to deliver superior shareholder returns. Under the plan, participants are granted performance rights which only vest if certain performance conditions are met. Participation in the plan is at the discretion of the Directors and no individual has a contractual right to participate in the plan to receive any guaranteed benefits. There is no board policy for limiting the person's exposure to risk in relation to the securities.

Performance Rights were issued to the Directors on 27 February 2015. The Performance Rights were only exercisable into Ordinary Shares if the following conditions were met:

- The volume weighted average price of Ordinary Shares over the 20 days prior to 30 June 2015 was at least 4 cents per share; and
- The Director was still a Director of the Company on 30 June 2015.

If the conditions were met then the Performance Rights would vest and would be exercisable into Ordinary Shares on a one-for-one basis at no cost.

The Performance Rights were allocated as follows:

- Mr Patrick Volpe 4,000,000 Performance Rights
- Mr Avi Kimelman 4,000,000 Performance Rights
- Mr David Herszberg 1,000,000 Performance Rights

The Performance Rights lapsed on 30 June 2015 due to the performance conditions not being met.

There are no Performance Rights currently on issue.

#### Compensation options and shares

No compensation options were granted, lapsed or vested during the year.

No shares were issued as compensation during the year.

This marks the end of the Audited Remuneration Report.

### **Directors' Resolution**

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors of **Bisan Limited**



**Avi Kimelman**  
Chairman  
18 March 2016

# Corporate Governance Statement

This statement sets out the corporate governance practices that were in operation throughout the 2015 financial year for Bisan and its controlled entities and includes a summary of how the Group complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments, 3rd Edition.

The various charters and policies are all available upon request from the Company.

ASX Recommendation	Status	Reference / Comment
<b>Principle 1 – Lay solid foundations for management and oversight</b> <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>		
<b>1.1 A listed entity should disclose:</b>  <b>(a) the respective roles and responsibilities of its board and management; and</b>  <b>(b) those matters expressly reserved to the board and those delegated to management.</b>	<b>Complying</b>	<p>The Board has adopted a charter (<b>Board Charter</b>) which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>As detailed in the Board Charter, the primary role of the Board is the protection and enhancement of long term shareholder value, and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of Bisan.</p> <p>The Board Charter additionally sets out the role and responsibility of the Chairman, and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>In accordance with the Board Charter, the Board will review the Board Charter at least annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.</p>
<b>1.2 A listed entity should:</b>  <b>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</b>  <b>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</b>	<b>Complying</b>	<p>Presently the Board as a whole performs the function of a nomination committee.</p> <p>It is the role of the Board, in performing the function of a nomination committee, to identify suitable candidates to complement the existing Board, to undertake appropriate checks on the candidate; to seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director. Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company provides information to shareholders about Directors seeking re-election at general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.</p>

ASX Recommendation		Status	Reference / Comment
			The Company will, in the case of a candidate standing for election as a director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Board has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on Board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	<p>All Directors have entered into written agreements with the Company.</p> <p>Specifically, each Non-Executive Director has been given a letter of appointment which outlines terms including the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. The Company does not have senior executives.</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	<p>The Company Secretary is responsible for the day to day operations of the company secretary's office, including the administration of Board and committee meetings, overseeing Bisan's relationship with its share registrar and lodgements with the ASX and other regulators. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with Bisan's Continuous Disclosure Policy. The Company Secretary supports the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas and briefing papers.</p> <p>The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary.</p> <p>The decision to appoint or remove the Company Secretary is made or approved by the Board.</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for</p>	Part-Complying	<p>The Board has contemplated the necessity of implementing a diversity policy. Noting the small size of the Company and the fact that the Company does not currently have any employees, the Board has resolved to depart from the recommendations by not implementing a gender diversity policy.</p> <p>Nonetheless, the Company is committed to the principles of employing people with a broad range of experiences, skills and views. All executives, managers and employees are responsible for promoting workforce diversity.</p> <p>Given the small size of the Company, the Company has not set formal measurable objectives for achieving gender diversity. However, at such time that the Company seeks to establish and expand its workforce, the Company will be committed to the principles of employing people with a broad range of experiences, skills and views.</p> <p>As at 30 June 2015, the Group had nil employees, and 1 female contractor.</p>

ASX Recommendation		Status	Reference / Comment
	<p>achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		
1.6	<p><b>A listed entity should:</b></p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>The Directors undertake an annual process to review the performance and effectiveness of the Board and individual directors. The Company Secretary oversees this process. As part of the review, each Director completes a questionnaire relating to the Board's role, composition, procedures, practices and behaviour. The questionnaires are confidential. The Chairman leads a discussion of the questionnaire results with the Board as a whole, and provides feedback to individual Directors as necessary.</p> <p>A performance evaluation for the Directors has not taken place in the reporting period.</p>
1.7	<p><b>A listed entity should:</b></p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance</p>	Complying	<p>During the year, the Company did not have any senior executives in employment. As and when senior executives are appointed, the Board will evaluate their performance on an annual basis.</p>

ASX Recommendation		Status	Reference / Comment
	evaluation was undertaken in the reporting period in accordance with that process		
<p>Principle 2 – Structure the Board to add value</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>			
2.1	<p><b>The board of a listed entity should:</b></p> <p><b>(a) have a nomination committee which:</b></p> <p><b>(1) has at least three members, a majority of whom are independent directors; and</b></p> <p><b>(2) is chaired by an independent director,</b></p> <p><b>and disclose:</b></p> <p><b>(3) the charter of the committee;</b></p> <p><b>(4) the members of the committee; and</b></p> <p><b>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</b></p> <p><b>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</b></p>	Complying	<p>The Board has not established a formal nomination committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal nomination committee, such a committee will operate under a nomination committee charter which will be approved by the Board.</p> <p>Presently, the Board, as a whole, serves as a nomination committee to the Company. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that	Part-Complying	Whilst the Company does not currently disclose a board skills matrix setting out the mix of skills of the Directors, the following information is set out in the Company's Annual Report:

ASX Recommendation		Status	Reference / Comment
	the board currently has or is looking to achieve in its membership.		<ul style="list-style-type: none"> <li>the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report; and</li> <li>a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the Board.</li> </ul>
2.3	<p><b>A listed entity should disclose:</b></p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complying	<p>During FY15, there were a total of three Directors on the Board; Messrs Avi Kimelman, David Herszberg and Patrick Volpe.</p> <p>The Board has considered the circumstances of each Director and determined that Mr Patrick Volpe was not and Mr Avi Kimelman is not an independent Director, on the basis that each of these Directors are associated with substantial holders of the Company's securities. Mr David Herzberg is an independent Director.</p> <p>In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board will continually assesses whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each Director is set out in the Company's 2015 Annual Report.</p>
2.4	<b>A majority of the board of a listed entity should be independent directors.</b>	Non-Complying	The Board currently comprises 4 Directors, Messrs Avi Kimelman, David Herszberg, Peter Chai and Lei Ding of which 3 are independent.
2.5	<b>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</b>	Complying	<p>Mr Avi Kimelman has been Chairman of the Company since September 2015 and is an independent director. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.</p> <p>The Company does not currently have a Chief Executive Officer.</p>



ASX Recommendation		Status	Reference / Comment
2.6	<b>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</b>	<b>Complying</b>	<p>The Board is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of those induction procedures. In addition, incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> <p>As Directors join the Board, they undertake a comprehensive induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations.</p> <p>The Board receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on the Company's operations and to the Group's senior management.</p> <p>Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.</p>
<b>Principle 3 – Act ethically and responsibly</b> A listed entity should act ethically and responsibly			
3.1	<b>A listed entity should:</b>  <b>(a) have a code of conduct for its directors, senior executives and employees; and</b>  <b>(b) disclose that code or a summary of it.</b>	<b>Complying</b>	<p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the way in which Bisan seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on Bisan in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for Directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p> <p>Responsibilities of Bisan's personnel under the Code of Conduct include protection of Bisan's business, using Bisan's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.</p>
<b>Principle 4 – Safeguard integrity in corporate reporting</b> A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.			
4.1	<b>The board of a listed entity should:</b>  <b>(a) have an audit committee which:</b>  <b>(1) has at least three members, all of whom are non-</b>	<b>Complying</b>	<p>The Board has not established a formal audit committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under an audit committee charter which has been approved by the Board.</p> <p>Presently, the Board, as a whole, serves as an audit committee to the Company and accordingly operates under</p>

ASX Recommendation	Status	Reference / Comment
<p>executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>the audit committee charter approved by the Board, and will continue to do so until a formal audit committee has been established.</p> <p>The audit-related role of the Board (in performing the function of an audit committee) is to oversee the Company's financial reporting and its internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and</p>	<p>Complying</p>	<p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board reviews the Group's half yearly and annual financial statements.</p> <p>The Board has a process to receive written assurances from the persons performing the functions of the CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>

ASX Recommendation		Status	Reference / Comment
	performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complying	<p>Shareholders are encouraged to attend the Company's Annual General Meeting, at which the Company endeavours to ensure the attendance of its auditors.</p> <p>Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p>
<b>Principle 5 – Make timely and balanced disclosure</b> <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>The Company has a documented policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors. The Board and the Company Secretary are responsibly executing the Group's policy. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.</p>
<b>Principle 6 – Respect the rights of security holders</b> <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Non-Complying	The Company does not currently have a website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	<p>The Board is committed to facilitating effective two way communication with its shareholders, investors and stakeholders, and has adopted a Communications with Shareholders Policy to define and support this commitment.</p> <p>The Communications with Shareholders Policy sets out the Company's investor relations approach, namely by communicating with its shareholders and investors by posting information on its website, and by encouraging attendance and participation of shareholders at general meetings.</p>

ASX Recommendation		Status	Reference / Comment
			<p>In particular, the Board informs shareholders of all major developments affecting the Company's state of affairs as follows:</p> <ul style="list-style-type: none"> <li>▪ The annual report is distributed to all shareholders, including relevant information about the operations of the Company during the year and changes in the state of affairs.</li> <li>▪ The half-yearly and quarterly reports to the ASX contain summarised financial information and a review of the operations of the Company during the period.</li> <li>▪ All major announcements are lodged with the ASX.</li> <li>▪ Proposed major changes in Company which may impact on share ownership rights are submitted to a vote of shareholders.</li> <li>▪ The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals.</li> <li>▪ The Company's auditor attends the Annual General Meeting.</li> </ul>
6.3	<b>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</b>	<b>Complying</b>	<p>Shareholders are encouraged to attend the Company's general meetings, and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The Company's Annual General Meeting in particular is an opportunity for shareholders to receive updates from the Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at Annual General Meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report. The date, time and location of the Company's general meetings will be provided in the notices of meetings. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p>
6.4	<b>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</b>	<b>Complying</b>	<p>Investors are able to communicate with the Company electronically by emailing the Company Secretary.</p> <p>Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>Bisan encourages its shareholders to receive company information electronically by registering their email addresses online with Bisan's share registry.</p>
<p align="center"><b>Principle 7 – Recognise and manage risk</b></p> <p align="center"><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>			
7.1	<p><b>The board of a listed entity should:</b></p> <p><b>(a) have a committee or committees to oversee risk, each of which:</b></p>	<b>Complying</b>	<p>The Board has not established a formal risk committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal risk committee, such a committee will operate under a risk committee charter which will be approved by the Board.</p>

ASX Recommendation		Status	Reference / Comment
	<p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>Presently, the Board, as a whole, serves as a risk committee to the Company and will continue to do so until a formal risk committee has been established.</p> <p>The risk-related role of the Board (in performing the function of a risk committee) is to oversee the Company's internal control structure and risk management systems, and to report on the status and management of the risks to the Company. The purpose of the Board's risk management process is to ensure that risks are identified, assessed and appropriately managed.</p>
7.2	<p><b>The board or a committee of the board should:</b></p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complying	<p>The Group has established policies and procedures to identify, assess and manage all material business and operational risks. The Board has responsibility for monitoring risk oversight and ensures that persons performing the role of CEO and CFO or equivalent report on the status of business risks through risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. In addition the Board reviews the risk management framework and policies of the Group, and is satisfied that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Board oversees policies on risk assessment and management.</p>
7.3	<p><b>A listed entity should disclose:</b></p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs</p>	Complying	<p>The Company does not at this time, have an internal audit function. The Board has responsibility to ensure that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Board is also responsible for conducting investigations of breaches or potential breaches of these internal controls.</p> <p>The Company's external auditors also provide recommendations to the Board where internal control weaknesses have been identified.</p> <p>During the year, the Board was responsible for overseeing</p>

ASX Recommendation		Status	Reference / Comment
	for evaluating and continually improving the effectiveness of its risk management and internal control processes.		the implementation of recommendations to improve internal control weaknesses made by the Company's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	<p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>Whilst the Company has exposure to elements of risks relevant to the industry in which Bisan operates, the Company does not consider, given the nature of its business, that it has any specific extraordinary exposure to economic, environmental and social sustainability risks.</p>
<p align="center"><b>Principle 8 – Remunerate fairly and responsibly</b></p> <p align="center"><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior</p>	Complying	<p>The Board has not established a formal remuneration committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under a remuneration committee charter which has been approved by the Board.</p> <p>The Board, in performing the function of the remuneration committee, reviews remuneration packages and practices applicable to the CEO or equivalent and senior executives and the Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages.</p>

ASX Recommendation		Status	Reference / Comment
	executives and ensuring that such remuneration is appropriate and not excessive.		
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complying	Details of the Directors' remuneration are set out in the Remuneration Report section of the Company's 2015 Annual Report.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	The details of the Company's Performance Rights Plan are available in the Notice of Meeting for Bisan's 2014 Annual General Meeting.

The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000

Correspondence to:  
GPO Box 4736  
Melbourne Victoria 3001

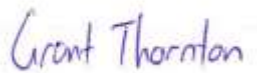
T +61 3 8320 2222  
F +61 3 8320 2200  
E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

### **Auditor's Independence Declaration**

#### **To the Directors of Bisan Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Bisan Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Matthew Hingeley  
Partner - Audit & Assurance

Melbourne, 18 March 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.



The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000

Correspondence to:  
GPO Box 4736  
Melbourne Victoria 3001

T +61 3 8320 2222  
F +61 3 8320 2200  
E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Report To the Members of Bisan Limited**

### **Report on the financial report**

We have audited the accompanying financial report of Bisan Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### **Auditor's responsibility**

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

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

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

### **Auditor's opinion**

In our opinion:

- a the financial report of Bisan Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of consolidated entity's financial position as at 30 June 2015 and of consolidated performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

### **Material uncertainty regarding going concern**

Without qualifying our opinion we draw attention to Note 1(h) in the consolidated financial statements which indicates that the consolidated entity incurred a net loss of \$1,156,762 during the year ended 30 June 2015. Note 1(h) also indicates that to continue as a going concern, the consolidated entity is dependent upon obtaining necessary funds to meet its current obligations, and will need to do this through successful capital raisings. These conditions along with other matters set forth in Note 1(h), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**Material uncertainty regarding conversion of P-Fuel loan**

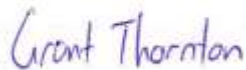
Without qualifying our opinion we draw attention to Note 5 in the consolidated financial statements which indicates that a dispute has arisen post year-end between the current directors of the company and former director Pat Volpe. The dispute is in relation to the exact terms and conditions of the agreement entered into during the year between Bisan and P-Fuel to provide an advance of funds ahead of a proposed entitlement offer by P-Fuel to its shareholders, and when and how the loan is to be repaid or converted into equity.

**Report on the remuneration report**

We have audited the remuneration report included in pages 15 to 18 of the directors' report for the year ended 30 June 2015. 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.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Bisan Limited for the year ended 31 December 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Matthew Hingeley  
Partner – Audit & Assurance

Melbourne, 18 March 2016

# Directors' Declaration

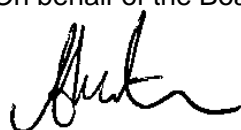
In accordance with a resolution of the Directors of Bisan Limited I state that:

1. In the opinion of the Directors:

- (a) the financial statements and notes of Bisan Limited and its controlled entities for the financial year ended 30 June 2015 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a); and
- (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.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer (or equivalents) in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board



**Avi Kimelman**  
Chairman

Dated 18 March 2016.

# Financial Results

## Bisan Limited & Controlled Entities Statement of Financial Position As at 30 June 2015

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	17(a)	50,465	57,891
Receivables	4	19,497	6,086
Other financial assets	5	315,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>384,962</b>	<b>63,977</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets	5	563,755	440,113
Property, plant and equipment	6	2,529	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>566,284</b>	<b>440,113</b>
<b>TOTAL ASSETS</b>		<b>951,246</b>	<b>504,090</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	262,661	222,396
<b>TOTAL CURRENT LIABILITIES</b>		<b>262,661</b>	<b>222,396</b>
<b>TOTAL LIABILITIES</b>		<b>262,661</b>	<b>222,396</b>
<b>NET ASSETS</b>		<b>688,585</b>	<b>281,694</b>
<b>EQUITY</b>			
Contributed equity	8	14,202,412	12,638,759
Option reserve		1,456,351	1,456,351
		<b>15,658,763</b>	<b>14,095,110</b>
Accumulated losses		<b>(14,970,178)</b>	<b>(13,813,416)</b>
<b>TOTAL EQUITY</b>		<b>688,585</b>	<b>281,694</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year ended 30 June 2015**

	NOTE	2015 \$	2014 \$
Revenue from continuing operations	2	4,860	16,495
Administration expenses		(49,251)	(48,061)
Auditors remuneration	10	(13,795)	(22,620)
Interest expense		(2,000)	-
Occupancy expense		(13,643)	(31,404)
Share registry and listing fees expense		(30,447)	(32,917)
Impairment of other financial assets	2	(28,957)	(326,800)
Legal fees expense		(1,353)	(32,440)
Directors fee expense	11	(162,000)	(166,108)
Investment and consulting expense		(197,326)	(110,000)
Travel expense		(2,407)	(11,560)
Company secretary fee expense		(11,000)	(30,394)
Registration fees expense		-	(11,085)
Due-diligence costs – Pencil Hill		(220,032)	-
Realised losses on held-for-trading investments		(8,439)	-
Other		(31,585)	(14,627)
<b>Loss before income tax</b>		<b>(767,375)</b>	<b>(821,521)</b>
Income tax expense (benefit)	3	-	-
<b>Loss after income tax from continuing operations</b>		<b>(767,375)</b>	<b>(821,521)</b>
Loss after income tax from discontinued operations	18	(389,387)	-
<b>Loss for the year</b>		<b>(1,156,762)</b>	<b>(821,521)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation for available-for-sale financial assets		-	-
<b>Total comprehensive income</b>		<b>(1,156,762)</b>	<b>(821,521)</b>
<b>Earnings (loss) per share</b>	15	<b>Cents</b>	<b>Cents</b>
<i>Basic earnings (loss) per share</i>			
Loss from continuing operations		(0.33)	(0.66)
Loss from discontinued operations		(0.17)	-
<b>Total</b>		<b>(0.50)</b>	<b>(0.66)</b>
<i>Diluted earnings (loss) per share</i>			
Loss from continuing operations		(0.33)	(0.66)
Loss from discontinued operations		(0.17)	-
<b>Total</b>		<b>(0.50)</b>	<b>(0.66)</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Statements of Changes in Equity**  
**For the Year ended 30 June 2015**

**Consolidated Entity**

	Contributed Equity \$	Available for sale investments revaluation reserve \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2014</b>	<b>12,638,759</b>	<b>-</b>	<b>1,456,351</b>	<b>(13,813,416)</b>	<b>281,694</b>
Loss for the period	-	-	-	(1,156,762)	(1,156,762)
Total comprehensive income/(loss) for the period	-	-	-	(1,156,762)	(1,156,762)
<b>Transactions with equity holders in their capacity as equity holders</b>					
Issue of new shares	1,675,028	-	-	-	1,675,028
Share issue costs	(111,375)	-	-	-	(111,375)
<b>At 30 June 2015</b>	<b>14,202,412</b>	<b>-</b>	<b>1,456,351</b>	<b>(14,970,178)</b>	<b>688,585</b>
<b>At 1 July 2013</b>	<b>11,993,951</b>	<b>-</b>	<b>1,456,351</b>	<b>(12,991,895)</b>	<b>458,407</b>
Loss for the period	-	-	-	(821,521)	(821,521)
Total comprehensive income/(loss) for the period	-	-	-	(821,521)	(821,521)
<b>Transactions with equity holders in their capacity as equity holders</b>					
Issue of new shares	685,236	-	-	-	685,236
Share issue costs	(40,428)	-	-	-	(40,428)
<b>At 30 June 2014</b>	<b>12,638,759</b>	<b>-</b>	<b>1,456,351</b>	<b>(13,813,416)</b>	<b>281,694</b>

The accompanying notes form part of these financial statements.

**Bisan Limited & Controlled Entities**  
**Consolidated Statement of Cash Flows**  
**For the Year ended 30 June 2015**

	NOTE	2015 \$	2014 \$
<b>Cash flows from operating activities:</b>			
Payments to suppliers and employees		(714,038)	(412,293)
Interest received		-	788
Net cash used in continuing operations		(714,038)	(411,505)
Net cash used in discontinued operations	18	(389,387)	-
Net cash outflows from operating activities	17(b)	(1,103,425)	(411,505)
<b>Cash flows from investing activities:</b>			
Proceeds from sale of investments		41,529	50,406
Purchase of investments		(180,000)	(560,000)
Loans to other entities		(315,000)	-
Interest received		4,860	-
Net cash outflow from investing activities		(448,611)	(509,594)
<b>Cash flows from financing activities:</b>			
Proceeds from issue of shares		1,652,528	625,236
Share issue costs		(102,418)	(40,428)
Proceeds from borrowings		120,000	-
Interest paid		(2,000)	-
Repayment of borrowings		(123,500)	-
Net cash inflows from financing activities		1,544,610	584,808
Net decrease in cash held		(7,426)	(336,291)
Cash and cash equivalents at beginning of the financial year		57,891	394,182
Cash and cash equivalents at end of the financial year	17(a)	50,465	57,891

The accompanying notes form part of these financial statements.



## **Bisan Limited & Controlled Entities**

### **Notes to the Financial Statements as at 30 June 2015**

#### **1. Summary of Significant Accounting Policies**

The financial statements cover the consolidated entity of Bisan Limited and controlled entities. Bisan Limited is a listed public company incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical convention, as modified by the revaluation of financial assets at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

The functional and presentation currency of the financial statements is the Australian Dollar.

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

##### **a) Statement of Compliance**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Bisan Limited is a for-profit entity for the purpose of preparing financial statements.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

##### **b) Principles of consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The financial information for the parent entity, Bisan Limited, included in Note 21, has been prepared on the same basis as the consolidated financial statements.

##### **c) Income tax**

The income tax expense for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

## Bisan Limited & Controlled Entities

### Notes to the Financial Statements as at 30 June 2015 (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are only recognised for all deductible temporary differences, carry-forward of unused tax losses and credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax balances relating to items recognised directly in equity are also recognised in equity and not in the profit or loss.

#### **d) Investments**

All investments are initially recognised at cost, being the fair value of the consideration given including all directly attributable transaction costs.

After initial recognition, investments, which are classified as held for trading, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss.

Financial assets at fair value through profit or loss include financial assets that are classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which hedge accounting requirements apply.

For investments that are actively traded in active markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Assumptions used are based on observable market prices and rates at reporting date.

The Group's available-for-sale investments include equity investments in JCL and P-Fuel, both acquired during the year. The investment in JCL is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognised in profit or loss.

The equity investment in P-Fuel is measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale investments revaluation reserve within equity, except for impairment losses, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

## **Bisan Limited & Controlled Entities**

### **Notes to the Financial Statements as at 30 June 2015 (continued)**

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

#### **Joint Ventures**

Interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method of accounting, the group's share of post-acquisition profits or losses of joint ventures are recognised in consolidated profit or loss and the group's share of the movements in reserves of joint ventures are recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Details of joint ventures are set out in Note 5.

#### **e) Employee benefits**

##### *Wages & Salaries, Annual Leave & Sick Leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions made by the consolidated entity to employee superannuation funds are charged as expenses when incurred.

#### **f) Joint Ventures**

Investments in joint ventures are measured at cost less any impairment losses in the parent entity financial information in Note 21.

#### **g) Earnings/(loss) per share**

##### *Basic earnings/(loss) per share*

Basic earnings/(loss) per share is determined by dividing the profit or loss for the year after related income tax attributable to members of Bisan Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *Diluted earnings/(loss) per share*

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **h) Going concern**

Notwithstanding the fact that for the year ended 30 June 2015, the consolidated Group generated a loss and deficiency in working capital, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2015, the Group generated a loss after tax of \$1,156,762 (2014: loss of \$821,521) and a net working capital surplus of \$122,301 (2014: deficiency of \$158,419).

## **Bisan Limited & Controlled Entities**

### **Notes to the Financial Statements as at 30 June 2015 (continued)**

Significant judgments made by the Directors in determining that the financial statements to be prepared on a going concern basis include:

- Cash flow required to fund mandatory expenditure is sufficient in order for the Company to meet its obligations as and when they fall due;
- On the 11 January 2016 Bisan Limited raised \$229,656.47 through the placement of 57,414,118 new shares to a number of sophisticated Investors
- Further capital raising activities will be required, the Board has a track record of raising capital and has assisted the Company in raising in excess of \$1.6M in the year to 30 June 2015;
- The ability of the Company to sell its listed shares in Abilene Oil and Gas Limited or the unlisted investment in P-Fuel Limited if necessary; and
- Negotiating with key service providers, including Directors and employees, to defer payment for their services or to accept shares or other securities in lieu of payment;

For these reasons, the Directors believe the assumption of going concern basis in the preparation of this financial report is appropriate. The financial report does not include any adjustments in relation to the recoverability or classification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

#### **i) Revenue**

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

Revenue from the sale of investments and disposal of other assets is recognised when the consolidated entity has passed risk and rewards of the investments or other assets to the purchaser, and can be reliably measured.

Interest revenue is recognised on a time proportion basis using the effective interest method.

Dividends and trust distributions are recognised when the right to receive the dividend and/or trust distribution has been established.

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

#### **j) Trade and other payables**

Trade and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. They are measured initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **k) Trade and other receivables**

Trade and other receivables are recognised initially at fair value, and subsequently at amortised cost, less any impairment. Trade receivables are generally due to settlement within 30 days.

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

#### **l) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred on a straight line basis.

**m) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**n) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**o) Cash and Cash Equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

**p) Contributed Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

**q) Share-based Payments**

Share based compensation benefits are provided to employees via the employee share scheme.

The fair value of options granted under the employee share scheme is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the profit or loss with a corresponding adjustment to equity.

## **Bisan Limited & Controlled Entities**

### **Notes to the Financial Statements as at 30 June 2015 (continued)**

#### **r) Significant and Critical Judgements and Estimates**

The group makes estimates and assumptions concerning the future. The resulting estimates may not always equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

##### **i. Going Concern**

The financial statements have been prepared on a going concern basis as explained in Note 1(h). If this basis is not appropriate the carrying amount of assets and liabilities may be significantly different.

##### **ii. Investments in unlisted shares**

The Group holds investments in unquoted shares and accounts for these investments as available-for-sale investments. For the investment in JCL, the Directors were not able to obtain the necessary financial information to determine the fair value of the investment. Accordingly, this investment is carried at cost less impairment. In assessing for impairment, the Directors use the best information available to assess the appropriate carrying values for the investments and amount of impairment (if any). For the investment in P-Fuel acquired during the year, the Directors consider the acquisition cost is a reasonable estimation of the fair value of the investment at year end.

The directors believe that Bisan does not have significant influence over P-Fuel as:

- Bisan owns less than 20% of P-fuel.
- Pat Volpe directorship and ownership in P-Fuel stemmed from prior to his involvement with Bisan.
- Pat Volpe abstained from circular resolutions in relation to P-Fuel.
- The Loan agreement between P-Fuel and Bisan was made on commercial terms

#### **s) Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9: Financial instruments – addresses the classification, measurement and de-recognition of financial instruments. The standard only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The standard is applicable for annual reporting period commencing 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15: replaces AASB 118 Revenue, AASB 111 Construction

Contracts and some revenue-related Interpretations: - establishes a new revenue recognition model

- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue on May 2015, the AASB issued ED 260 Income of Not-for-Profit

Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to, assist not-for-profit entities to apply the principles of AASB 15. The ED is open for comment until 14 August 2015. The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.



**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

**t) Segment Information**

No information is disclosed for operating segments as no management accounts are regularly provided to the Board of Directors, other than those of the consolidated entity. As such no operating segments exist.

	NOTE	2015 \$	2014 \$
<b>2. Revenue and Expenses</b>			
<b>Loss before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:</b>			
(a) Expenses			
Impairment of other financial assets:			
- shares in listed bodies corporate		28,957	91,800
- shares in unlisted bodies corporate		-	235,000
		<u>28,957</u>	<u>326,800</u>
(b) Revenue			
Interest received from other persons and / or bodies corporate		4,860	788
Realised gains on held-for-trading investments		-	10,406
Others		-	5,301
		<u>4,860</u>	<u>16,495</u>
<b>3. Income Tax</b>			
(a) The components of tax benefit comprise:			
Current Tax		-	-
Deferred Tax		-	-
Total		<u>-</u>	<u>-</u>
(b) The prima facie tax payable (benefit) on the loss before income tax is reconciled to the income tax expense (benefit) as follows:			
Loss before income tax		<u>(1,156,762)</u>	<u>(821,521)</u>
Prima facie tax payable (benefit) at 30% (2014: 30%)		<u>(347,029)</u>	<u>(246,456)</u>
Temporary differences not brought to account		84,067	-
Permanent difference not brought to account		457	-
Income tax losses not brought to account		<u>(262,505)</u>	<u>(246,456)</u>
(c) Unrecognised deferred tax assets:			
Deferred tax assets have not been recognised in the statement of financial position for the following items:			
- Unused tax losses		3,984,604	3,109,589
- Deductible temporary differences		357,840	77,617
		<u>4,342,444</u>	<u>3,187,206</u>
Potential deferred tax asset not brought to account at 30 June 2015 calculated at the corporate tax rate of 30% (2014: 30%)		<u>1,302,733</u>	<u>956,162</u>

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

	NOTE	2015 \$	2014 \$
<b>3. Income Tax (continued)</b>			
These benefits will only be obtained if:			
(i) The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised.			
(ii) The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and			
(iii) No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deduction for the loss.			
(iv) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking dividends and franking credits that may be prevented from distribution in subsequent financial years.			
		<b>321,009</b>	321,009
(d) No decisions has yet been made in relation to the Consolidations Tax Regime and its applicability to the consolidated entity. As there are no deferred tax balances brought to account in the financial statements it is unlikely this regime will have a material impact on the consolidated entity.			

**1. Trade and other receivables**

**Current**

Other receivables	<b>19,497</b>	6,086
-------------------	---------------	-------

**5. Other Financial Assets**

**Current**

Unsecured loan to P-Fuel Limited	<b>315,000</b>	-
----------------------------------	----------------	---

On 30 April 2015 Bisan Limited entered into a Loan Agreement with P-Fuel Limited ("P-Fuel") to provide an advance of funds ahead of a proposed entitlements offer by P-Fuel to all its shareholders. The loan is on normal terms and conditions and interest is payable by P-Fuel monthly in arrears at the same rate as is charged by the Bank of Melbourne on commercial overdrafts. The rate of interest charged during the year was 8.80% per annum. Bisan received interest of \$4,860 from P-Fuel during the year.

At the repayable due date being the 31<sup>st</sup> October 2015 a dispute arised between the existing Bisan directors and Mr Patrick Volpe as to the exact terms and conditions when and how the loan is to be repaid or converted into equity. P-fuel and Mr Patrick Volpe have since sent formal notice to Bisan advising it, that they have converted the loan owed to Bisan into equity under a rights issue Pfuel undertook. The non-associated directors don't agree to this, and the matter together with Mr Patrick Volpe's outstanding directors fees is in the midst of being discussed.



**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

	NOTE	2015 \$	2014 \$
<b>5. Other Financial Assets (continued)</b>			
<b>Non-current</b>			
Other Financial Assets:			
<i>Held for trading investments – at fair value</i>			
(a) Investments quoted on a prescribed stock exchange:			
Shares in other bodies corporate		56,105	104,963
(b) Units in unit trusts		150	150
		<u>56,255</u>	<u>105,113</u>
<i>Available for sale investments – at fair value</i>			
(a) Unquoted shares (i)		507,500	335,000
<i>Available for sale investments – at cost</i>			
(a) Unquoted shares – cost (ii)		235,000	235,000
Less: impairment		(235,000)	(235,000)
Unquoted shares – carrying amount		-	-
Total non-current other financial assets		<u>563,755</u>	<u>440,113</u>
(i) This investment is in P-Fuel Limited (“P-Fuel”):			
The Directors have considered the financial position of P-Fuel and have noted that the Company is still in the process of restarting its operations. The Directors consider the net tangible assets as a reasonable estimation of the fair value of the investment at year-end.			
(ii) This investment is in Jernigan Commodities Pty Ltd (“JCL”):			
Fair value information has not been disclosed for the investment in JCL because its fair value cannot be measured reliably as Bisan is not able to obtain updated financial information for JCL. This investment is an unlisted equity investment in an Australian company, and therefore, has no active market. The investment has been stated at cost less impairment charges. In 2014, an impairment charge of \$235,000 was recognised in the Statement of Profit and Loss. Bisan has no plan to dispose of this investment. The loss on de-recognition of this investment will be the amount of cost of acquisition of this investment less impairment loss made.			
(d) Aggregate quoted market value of investments listed on a prescribed stock exchange at reporting date amount to:		56,105	104,963

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

	NOTE	2015 \$	2014 \$
--	------	------------	------------

**5. Other Financial Assets (continued)**

(e) Business Undertakings:

The consolidated entity has a 50% investment in the issued units of Dynamic Earth Unit Trust. No distribution of income was received during the year and as at 30 June 2015, the trust owed Bisan Limited \$90,029 (2014: \$90,029). A provision for impairment has been raised in relation to the receivable in the amount of \$90,029 (2014: \$90,029). This investment is in a joint venture accounted for using the equity method.

(f) Joint Ventures:

In 2008 the Company acquired equity interest in a jointly controlled company, Size Technologies Australia Pty Ltd ("STA"). The Company has provided information on the investment in previous financial reports and the investment had been fully written off. On 2 November 2014 the Australian Securities and Investments Commission deregistered STA.

**6. Property, plant and equipment**

Balance at 1 July	-	-
Additions	2,529	-
Balance at 30 June	2,529	-

**7. Trade and Other Payables**

Unsecured:

Trade and other payables	187,661	126,396
Other creditors and accruals	75,000	96,000
	262,661	222,396

Other creditors and accruals includes \$75,000 of fees due to directors as at 30 June 2015.

**8. Contributed Equity**

394,260,793 Fully Paid Ordinary Shares\*  
(2014 – 148,523,581)

14,202,412	12,638,759
14,202,412	12,638,759

**Movements in ordinary share capital:**

	2015		2014	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
At the beginning of the reporting period	148,523,581	12,638,759	80,000,000	11,993,951
Shares issued during the year	245,737,212	1,675,028	68,523,581	685,236
Share issue costs	-	(111,375)	-	(40,428)
At the end of the reporting period	394,260,793	14,202,412	148,523,581	12,638,759

\*Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

## Bisan Limited & Controlled Entities

### Notes to the Financial Statements as at 30 June 2015 (continued)

#### 9. Unsecured loans to controlled entities

The directors of the parent entity (Bisan Limited) have issued assurances to Bisan International Limited, Bisan International Pty Ltd, Bisan Investment Corporation Pty Ltd, Australian Commercial Mortgages Pty Ltd, Elken Tower Pty Ltd, Toplite Connection Pty Ltd and My Generation Smartphones (HK) Limited, that Bisan Limited will continue to provide financial support to these bodies corporate and consequently will not call up the debt owing to the parent entity during the next financial year. The parent entity is owed \$6,528,903 (2014: \$6,109,516) by wholly owned subsidiaries against which a provision for non-collectability of \$6,449,606 (2014: \$6,060,219) has been raised.

During the year ended 30 June 2015:

- the Company paid \$30,000 on behalf of its subsidiary Elken Tower Pty Ltd to enable the subsidiary to take up its rights under the entitlements offer by Abilene Oil and Gas Limited; and
- the Company paid a total of \$389,387 on behalf of My Generation Smartphones (HK) Limited in connection with the smart phones business, the amount was fully impaired as at 30 June 2015.

Financial information for the parent entity is disclosed in Note 21.

#### 10. Auditor's remuneration

Amounts received or due and receivable by the auditors of the consolidated entity for:

Auditing or reviewing the financial statements	<b>13,795</b>	17,000
--	---------------	--------

#### 11. Remuneration of directors and key management personnel

The Directors of Bisan Limited during the financial year were Mr P J Volpe, Mr D Herszberg, Mr A Kimelman. Details of remuneration of key management personnel of the Company during the financial year are represented in the Directors Report. Other transactions with directors and key management personnel are detailed in Note 13.

The following table summarises the remuneration of directors and key management personnel.

Short-term Employee Benefits		
- Cash Salary & Fees	<b>75,000</b>	81,108
- Non-monetary benefits	-	1,786
Post-employment Benefits		
- Superannuation	-	-
Share Based Payment	-	-
	<b>75,000</b>	82,894

Directors fees were accrued and unpaid as at 30 June 2015 for the following directors: Mr P J Volpe (\$30,000), Mr A Kimelman (\$30,000) and Mr D Herszberg (\$15,000).

During the year the Company paid current and former Directors remuneration of \$85,000 that was accrued and unpaid as at 30 June 2014.

Other amounts were paid to entities associated with directors as set out in Note 13 Related Party Transactions.

#### 12. Contingent liabilities and commitments

The Group has no material contingent liabilities or commitments.

#### 13. Related party transactions

## Bisan Limited & Controlled Entities

### Notes to the Financial Statements as at 30 June 2015 (continued)

- (a) The directors of the parent entity who held office during the year are referred to in Note 11. Remuneration of directors is disclosed in Note 11.
- (b) Directors' relevant interests in shares and other securities of Bisan Limited at the beginning and at the end of the financial year are shown in the table below.
- (c) Aggregate amounts receivable from wholly owned and controlled entities and the provision for non-collectability on these loans are disclosed at Note 9. These unsecured loans are interest free.
- (d) During the 1997 year, the consolidated entity acquired 50 per cent of the issued units of Dynamic Earth Unit Trust at a cost of \$150. No distribution of income was received during the current financial year (2014: \$Nil) and as at 30 June 2015 the Trust owed Bisan Limited \$90,029 (2014: \$90,029). A provision for non-collectability of \$90,029 (2014: \$90,029) has been raised against this amount.
- (e) Kushkush Investments Pty Ltd (a company related to Avi Kimelman) was paid fees of \$55,000 for services in connection with investments made by the Company;
- (f) Caraway Corporate Pty Ltd (a company of which Avi Kimelman is a Director and shareholder) invoiced for consulting fees of \$55,000 for services in connection with investments made by the Company. The amount was accrued and unpaid at 30 June 2015. Bisan owed Mr Kimelman \$11,250 from a settlement reached between the Company and him during the year ended 30 June 2013.
- (g) Trayburn Pty Ltd ("Trayburn"), a company of which Patrick J Volpe is a Director and shareholder, was paid outstanding fees of \$55,000 for amounts invoiced and accrued as at 30 June 2014. Trayburn invoiced for consulting fees of \$55,000 for services in connection with investments made by the Company. The amount was accrued and unpaid as at 30 June 2015.
- (h) The following transactions occurred between the Company and Foxfire Capital Pty Ltd ("Foxfire") (a company of which Patrick J Volpe was a shareholder and consultant during the year):
  - the Company paid Foxfire outstanding fees of \$23,485 for capital raising services which were accrued and unpaid at 30 June 2014;
  - Foxfire was paid \$30,633 being 5% (plus GST) of the funds raised under the share placement managed by Foxfire in July 2014;
  - Foxfire invoiced the Company \$17,050 being 5% (plus GST) of the funds raised under the share placement managed by Foxfire in February 2015 – the invoice was unpaid at year end;
  - Foxfire was paid \$6,600 for providing a nominee service for ineligible shareholders as approved by ASIC in the April 2015 rights issue; and
  - Foxfire invoiced the Company \$22,525 being 5% (plus GST) of the funds raised by Foxfire through the placement of the rights issue shortfall – the invoice was unpaid at year end.
- (i) The following transactions occurred between the Company and P-Fuel Limited ("P-Fuel") (a company of which Patrick J Volpe and Avi Kimelman were directors during the year): the Company subscribed \$150,000 cash for 3,000,000 fully paid ordinary shares in P-Fuel at an issue price of 5 cents (\$0.05) per share;

#### 13. Related party transactions (continued)

- the Company provided an unsecured loan of \$315,000 to P-Fuel on normal terms and conditions (refer to Note 5);
- the Company received interest of \$4,860 from P-Fuel; and

## **Bisan Limited & Controlled Entities**

### **Notes to the Financial Statements as at 30 June 2015 (continued)**

- P-Fuel Europe Limited ("P-Fuel Europe"), a wholly owned subsidiary of P-Fuel, purchased smartphones in the United Kingdom as agent for My Generation Smartphones (HK) Limited (then called Asia Founder Limited). The goods were on sold to Asia Founder Limited at cost and P-Fuel Europe was paid an agency fee of \$2,370.

In view of his significant interest in P-Fuel, Mr Volpe did not participate in any of the decisions by the Directors regarding transactions between the Company and P-Fuel.

Mr Volpe is a Director of P-Fuel and directly owns 2.87% of P-Fuel and is a director and shareholder of the following companies that own shares in P-Fuel:

- Bisan Limited (in which Mr Volpe's interest is 6.34%) holds 16.39% of P-Fuel.
- Growthtech International Pty Ltd (in which Mr Volpe's interest is 23%) holds 9.09% of P-Fuel.
- Teltec Capital Pty Ltd (in which Mr Volpe's interest is 29%) holds 3.30% of P-Fuel.
- Nova Vita Pty Ltd (in which Mr Volpe's interest is 47%) holds 2.64% of P-Fuel.

(j) The following transactions occurred between the Company and Cohiba Minerals Limited ("Cohiba") (a company of which Patrick J Volpe and David Herszberg were directors during the year):

- the Company repaid an unsecured interest free loan of \$3,500 to Cohiba;
- the Company paid Cohiba \$5,805 for the provision of office space during the year ended 30 June 2014 which was due and owing at 30 June 2014;
- Cohiba provided the Company with office space at a cost of \$13,643 which was paid in full during the year;
- Cohiba supplied the Company with a laptop computer at a cost of \$2,719 which amount was due and owing to Cohiba at 30 June 2015;
- Cohiba provided the Company with the services of Cardia Pfeffer (a close family member of Patrick J Volpe) as an administrative assistant at a cost of \$25,300 which was due and owing to Cohiba at year end.

(k) The following transactions occurred between the Company and CAP Holdings Pty Ltd ("CAP") (a company of which close family members of Patrick J Volpe are directors and shareholders during the year):

- CAP invoiced the Company \$11,000 for the preparation of investor presentations for P-Fuel and the Pencil Hill Graphite project – the invoice was paid;
- CAP invoiced the Company \$1,687 for the printing and despatching the Company's rights issue Prospectus – the invoice was paid;
- CAP invoiced the Company \$2,750 for printing and despatching a Notice of General Meeting – the invoice was paid.

(l) The following transactions occurred between the Company and Botswana Metals Limited ("BML") (a company of which Patrick J Volpe was a Director during the year):

- BML invoiced the Company \$857 for the costs of a General Meeting – the invoice was paid.
- BML invoiced the company \$935 being a share of IT costs paid by BML – the invoice was paid.

### **13. Related party transactions (continued)**

- (m) During the year the Company received an unsecured interest free loan of \$20,000 from Denman Audio Pty Ltd (an entity associated with David Herszberg). The loan was repaid in full.
- (n) As discussed above, during the year the Company considered an investment in the Pencil Hill Graphite project in Botswana and undertook due-diligence investigations, including exploration

## Bisan Limited & Controlled Entities

### Notes to the Financial Statements as at 30 June 2015 (continued)

activities (drilling and trenching) and laboratory analysis, at a cost of approximately \$220,000. Mr Patrick J Volpe has an interest in the Pencil Hill project and accordingly he did not participate in the decisions of the Board of Directors regarding the project. The Company ultimately decided not to proceed with the investment.

- (o) All agreements with related parties were on normal commercial terms and conditions.
- (p) Directors and their related entities are reimbursed for out-of-pocket expenses incurred in the performance of their duties.
- (q) During the year the company held shares in Lemarne Corporation Limited ("LMC") with a carrying value of \$24,229 as at 30 June 2015. LMC is a public company listed on ASX however the shares are currently suspended from trading. Mr David Herszberg, a director of the company, was a director of LMC from 22 October 2012 to 11 July 2013.

The number of options over ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

#### Number of Options Held by Key Management Personnel at 30 June 2014 and 30 June 2015:

KMP	Balance 01/07/2013	Other	Options Balance 30/06/2014	Total Un- Exercisable	Balance 01/07/2014	Other	Options Balance 30/06/2015	Total Un- Exercisable
P J Volpe	-	-	-	-	-	10,000,000	10,000,000	-
D Herszberg	1,000,000	-	1,000,000	-	1,000,000	3,866,666	4,866,666	-
A Kimelman	-	2,000,000	2,000,000	-	2,000,000	8,793,333	10,793,333	-
<b>Total</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>22,659,999</b>	<b>25,659,999</b>	<b>-</b>

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No options were granted as compensation during the year (2014: Nil).

The number of ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

#### Number of Shares Held by Key Management Personnel at 30 June 2014 and 30 June 2015:

KMP	Balance 01/07/2013	Change	Balance 30/06/2014	Balance 01/07/2014	Change	Balance 30/06/2015
P J Volpe	-	15,000,000	15,000,000	15,000,000	10,000,000	25,000,000
D Herszberg	2,900,000	2,900,000	5,800,000	5,800,000	3,866,666	9,666,666
A Kimelman	-	13,945,589	13,945,589	13,945,589	8,793,333	22,738,922
<b>Total</b>	<b>2,900,000</b>	<b>31,845,589</b>	<b>34,745,589</b>	<b>34,745,589</b>	<b>22,659,999</b>	<b>57,405,588</b>

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No shares were granted as compensation during the year (2014: Nil).

#### Number of performance rights Held by Key Management Personnel

On 27 February 2015 the Company issued 9,000,000 Performance Rights to Directors pursuant to shareholder approval obtained at the Annual General Meeting of the Company held on 28 November 2014.

#### 13. Related party transactions (continued)

##### Number of performance rights Held by Key Management Personnel (continued)

The Performance Rights were issued as follows:

- Mr Patrick Volpe 4,000,000 Performance Rights

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

- Mr Avi Kimelman 4,000,000 Performance Rights
- Mr David Herszberg 1,000,000 Performance Rights

The Performance Rights issued to Directors lapsed on 30 June 2015 as the performance conditions had not been met.

There were no performance rights on issue as at 30 June 2015 (2014: Nil).

**14. Segmental information**

No information is disclosed for operating segments as no management accounts are regularly provided to the Board of Directors, other than those of the consolidated entity. As such no operating segments exist.

**15. Loss per share**

	NOTE	2015 \$	2014 \$
		(cents)	(cents)
<i>Basic earnings/(loss) per share</i>			
Loss from continuing operations		(0.33)	(0.66)
Loss from discontinued operations		(0.17)	-
		<u>(0.50)</u>	<u>(0.66)</u>
<i>Diluted earnings/(loss) per share</i>			
Loss from continuing operations		(0.33)	(0.66)
Loss from discontinued operations		(0.17)	-
		<u>(0.50)</u>	<u>(0.66)</u>
		No.	No.
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share & diluted earnings per share		<u>233,298,065</u>	<u>124,011,302</u>

The 269,753,836 options on issue during the year (2014: 25,253,290) were not included in the diluted loss per share calculation as the securities are non-dilutive.

**16. Leasing Commitments**

There were no leasing commitments at year end.

**17. Notes to Statement of Cash Flows**

**(a) Reconciliation of cash and cash equivalents**

For the purpose of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call which are readily convertible to cash and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	<u>50,465</u>	<u>57,891</u>
---------------------------	---------------	---------------



**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

**(b) Reconciliation of net cash outflows from operating activities to loss after income tax:**

Loss after income tax	(1,156,762)	(821,521)
<b>Adjustments</b>		
Realised losses/(gains) on other financial assets	8,439	(10,406)
Impairment of other financial assets	28,957	326,800
Interest revenue included in investing cash flows	(4,860)	-
Interest expense included in financing cash flows	2,000	-
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in receivables	(13,411)	19,512
Increase/(decrease) in trade and other payables	32,212	74,110
Net cash outflows from operating activities	<b>(1,103,425)</b>	<b>(411,505)</b>

**(c) Financing arrangements:**

There are no bank overdraft or loan facilities at reporting date.

**18. Discontinued Operations**

During the year the Company established a business for the trading of smartphones. The Company entered into a Services Agreement with Mr Yehuda Shmaya Szender for the conduct of the business. The first batch of smart phones was purchased and then, in breach of the Services Agreement, Szender refused to sell or hand over the phones. The Company subsequently discontinued the business. Expenses relating to the My Generation business have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the Statement of Profit or Loss and Other Comprehensive Income (see loss for the year from discontinued operations):

Operating loss for the My Generation business is as follows:

Revenue	-	-
Cost of smart phones	(320,939)	-
Other expenses	(68,448)	-
<b>Loss for the year from discontinued operations</b>	<b>(389,387)</b>	<b>-</b>

There are no assets or liabilities within the Group relating to the discontinued business.

Cash flows generated by the discontinued business are as follows:

Operating activities	(389,387)	-
<b>Cash flows from discontinued operations</b>	<b>(389,387)</b>	<b>-</b>

**19. Financial Instruments**

**(a) Significant Accounting Policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Bisan's activities expose it to financial risks such as credit risk, cash flow interest rate risk, liquidity risk and market risk. The directors are responsible for Bisan's risk management strategy and management is responsible for implementing the Directors' strategy. A risk management program focuses on the unpredictability of finance markets and seeks to minimise potential adverse effects on financial performance. Bisan uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case on interest rate and market risk. Bisan does not use derivatives.



**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

**(b) Interest Rate Risk Exposure**

The consolidated entity is exposed to interest rate risk primarily through cash. The following table summarises the interest rate risk for the consolidated entity, together with the effective weighted average interest rate for each class of financial assets and liabilities.

	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Maturing in		Non- Interest Bearing \$	Total \$
			1 year or Less \$	Over 1 to 5 years \$		
<b>Financial Assets</b>						
Cash	--	--	--	--	50,465	50,465
Receivables	--	--	--	--	19,497	19,497
Other Financial Assets						
Listed securities	--	--	--	--	56,105	56,105
Unlisted securities	--	--	--	--	507,650	507,650
Unsecured loan	8.8%	315,000	--	--	--	315,000
Total Financial Assets		315,000	--	--	633,717	948,717
<b>Financial Liabilities</b>						
Trade and other payables		--	--	--	262,661	262,661
Total Financial Liabilities		--	--	--	262,661	262,661
<b>2014</b>						
Financial Assets		--	--	--	504,090	504,090
Financial Liabilities		--	--	--	222,396	222,396

*Interest Rate Sensitivity Analysis*

At 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2015 \$	2014 \$
Change in Profit		
• Increase in interest rate by 2%	97	-
• Decrease in interest rate by 2%	(97)	-
Change in Equity		
• Increase in interest rate by 2%	97	-
• Decrease in interest rate by 2%	(97)	-

**19. Financial Instruments (continued)**

**(c) Net fair values of financial assets and liabilities**

This note provides an update on the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

**Fair value hierarchy**

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table. The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2014 and 30 June 2015 on a recurring basis:

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

<b>At 30 June 2015</b>	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
<b>Assets</b>				
Held for trading investments	56,105	-	150	56,255
Available for sale investment	-	-	507,500	507,500
<b>At 30 June 2014</b>	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
<b>Assets</b>				
Held for trading investments	104,963	-	150	105,113
Available for sale investment	-	-	335,000	335,000

**Valuation techniques used to determine fair values**

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Valuation processes and fair values of other financial instruments**

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts. The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

	NOTE	2015 \$	2014 \$
--	------	------------	------------

**19. Financial Instruments (continued)**

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities noted above equates to their fair values at balance date.

**(d) Credit Risk exposure**

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the consolidated entity's maximum exposure to credit risk, without taking account of the value of any collateral or other security obtained. The entity has no significant contributions of risk.

**(e) Liquidity Risk**

The Directors monitor the funding requirements of the Group, but the liquidity risk management is only carried out when the Group requires funds. At present, funds are raised primarily through share issue and the Group does not have any credit facilities as disclosed in Note 17(c).

**(f) Market Risk**

The Group is exposed to equity securities price risk. This arises for investments held by the Group and classified as held at fair value through profit and loss.

Market Risk Sensitivity Analysis

At 30 June 2015, the effect on equity as a result of changes in the market value of listed investments, with all other variables remaining constant would be as follows:

Change in profit		
-Increase in market value by 10%	5,610	10,496
-Decrease in market value by 10%	(5,610)	(10,496)

**20. Share based payments**

Performance Rights, Shares and Options

The Company has established the Bisan Limited Performance Rights Plan. Participation in the plan is at the discretion of the Directors and no individual has a contractual right to participate in the plan. The Company issued 9,000,000 Performance Rights during the year ended 30 June 2015 all of which lapsed during the year as the performance conditions were not met. No shares or options were issued as compensation during the year.

Expenses arising from share - based payment transactions

There were no share-based payment transactions recognised during the year ended 30 June 2015.

Assets acquired from share – based payment transactions

The Company acquired 375,000 fully paid ordinary shares for a consideration of \$22,500 satisfied by the issue of 1,500,000 fully paid ordinary shares in the Company at a deemed issue price of one and half cents (\$0.015) per share.

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

	2015 \$	2014 \$
<b>21. Parent Entity Information</b>		
The following details information related to the parent entity, Bisan Limited, at 30 June 2015. The information presented here has been prepared using the consistent accounting policies as set out in Note 1.		
CURRENT ASSETS	<b>384,948</b>	63,963
NON CURRENT ASSETS	<b>614,362</b>	444,441
<b>TOTAL ASSETS</b>	<b>999,310</b>	508,404
CURRENT LIABILITIES	<b>262,661</b>	222,396
NON- CURRENT LIABILITIES	-	-
<b>TOTAL LIABILITIES</b>	<b>262,661</b>	222,396
<b>NET ASSETS</b>	<b>736,649</b>	286,008
Issued Capital	<b>14,202,412</b>	12,638,759
Reserves	<b>1,445,646</b>	1,445,646
Accumulated losses	<b>(14,911,409)</b>	(13,798,397)
<b>TOTAL EQUITY</b>	<b>736,649</b>	286,008
Loss for the year	<b>(1,113,013)</b>	(806,528)
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,113,013)</b>	(806,528)

**22. Events after the Reporting Date**

- On 18 August 2015 the Supreme Court of Victoria ordered that Mr Yehuda Shmaya Szender pay the Bisan group AUD 30,157.90 plus GBP 169,854.18 (both amounts include interest) together with the costs of the proceedings. Bisan is considering the available options for the enforcement of the Court orders both within and outside Australia. Significant uncertainty exists as to the ability of the Bisan group to recover any funds from Szender.
- The Directors have examined potential investment opportunities in various areas including waste water management, medical biotechnology and in the financial technology (fintech) market however no material agreements have been entered into and no investment decisions have been made in respect of any opportunity under consideration.
- On 7 September 2015 Avi Kimelman was appointed as Chairman of the Board of Directors.
- On 31<sup>st</sup> October 2015 a dispute arose between the existing Bisan Directors and Mr Patrick Volpe as to the exact terms and conditions when and how the loan is to be repaid or converted into equity. P-fuel and Mr Patrick Volpe have since sent formal notice to Bisan advising it, that they have converted the loan owed to Bisan into equity under a rights issue P-fuel undertook. The non-associated directors do not agree to this, and the matter together with Mr Patrick Volpe's outstanding directors fees is in the midst of being discussed.

**Bisan Limited & Controlled Entities**  
**Notes to the Financial Statements as at 30 June 2015 (continued)**

- Mr Ramon Jimenez retired as Company Secretary of the Company effective 20 October 2015.
- On 11 January 2016 Bisan Limited raised \$229,656.47 through the placement of 57,414,118 new shares to a number of sophisticated Investors
- Mr Jonathan Rosen was appointed Director of the Company and Company Secretary effective 20 October 2015, and suddenly passed away in January 2016.
- Ms Alyn Tai was appointed as Company Secretary on 1 February 2016
- Mr Patrick Volpe retired as Non-Executive Director of the Company effective 1 February 2016, to pursue other business interests.
- On the 1 February Mr Peter Chai and Mr Lei Ding were appointed to the Board of Directors

# ADDITIONAL SECURITIES EXCHANGE INFORMATION

## as at 17 March 2016 (Reporting Date)

### Number of Holders of Ordinary Shares

As at the Reporting Date, the issued capital of the Company consisted of 451,674,911 ordinary fully paid shares held by 529 shareholders. Each share entitles the holder to one vote

The Company has 244,230,546 options on issue. Further details regarding the options are provided below on the following page.

There are no restricted securities on issue.

### Twenty Largest Holders of Quoted Shares

	Name	Units	%
1.	POLARITY B PTY LTD	46,435,988	11.78
2.	VERMAR PTY LTD <CAP A/C>	25,000,000	6.34
3.	KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY A/C>	22,738,921	5.77
4.	DIMENSION INVESTMENTS PTY LTD	22,000,000	5.09
5.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	20,055,498	4.19
6.	MR NACHUM LABKOWSKI	16,500,000	3.12
7.	SHIMSHON HELLER	15,414,118	2.90
8.	LAUNCHPAD (AUST) PTY LTD <LAUNCHPAD A/C>	15,000,000	2.73
9.	MR ITZCHAK BENEDIKT + MRS ROZETTE BENEDIKT <SNIDER CARMEL P/L S/F A/C>	12,284,376	2.45
10.	JASCOT RISE PTY LTD	11,446,000	2.41
11.	MR EMANUEL MAX GREEN + MRS SHARON GREEN <THE GREEN SUPER FUND A/C>	10,752,686	2.14
12.	DENMAN AUDIO PTY LTD	9,666,666	2.08
13.	MR PAUL GABRIEL SHARBANEE <THE SCORPION FUND A/C>	9,499,999	1.94
14.	HARAPID PTY LTD	8,451,613	1.80
15.	JOMOT PTY LTD	8,189,999	1.79
16.	MR ANTHONY VIOLI	7,649,600	1.48
17.	FIRESTONE CAPITAL PARTNERS PTY LTD	7,110,393	1.42
18.	MR FRANK VIOLI	7,070,332	1.33
19.	CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD <C K H SUPERFUND A/C>	5,833,333	1.30
20.	AUSTRALIAN TRADE ACCESS PTY LTD <ATA SUPER FUND A/C>	5,600,000	1.22
<b>Top 20 holders</b>		<b>286,699,522</b>	<b>63.47</b>
<b>Total remaining holders</b>		<b>164,975,389</b>	<b>36.53</b>

### Distribution of Holders of Quoted Shares

Range	Total Holders	Units	%
1 - 1,000	54	47,280	0.01
1,001 - 5,000	151	473,015	0.10
5,001 - 10,000	61	517,914	0.11
10,001 - 50,000	83	2,208,957	0.49
50,001 - 100,000	35	2,918,331	0.65
<b>Total</b>	<b>525</b>	<b>394,260,793</b>	<b>100.00</b>

### Unmarketable Parcels

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.003 per unit	166,667	400	8,277,314

### Substantial Shareholders

Substantial Shareholder	Units	%
Polarity B Pty Ltd	46,435,988	11.78
Vermar Pty Ltd <CAP A/C>	25,000,000	6.34
Kushkush Investments Pty Ltd <Alexandra Discretionary A/C>	22,738,921	5.77

### Other Information

The name of the Company Secretary is Ms Alyn Tai. The registered office and principal place of business address of Bisan Limited is Suite 2, 71 Kooyong Road, Caulfield North VIC 3161 and the telephone number is (03) 8506 0514.

The Company is listed on the Australian Securities Exchange. Registers of securities are held at the following address; Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067, local call is 1300 850 505, international call is +61 3 9415 4000.

There is current no on-market buy-back.

# ADDITIONAL SECURITIES EXCHANGE INFORMATION

## as at 17 March 2016 (Reporting Date) (continued)

### Number of Holders of Options

The Company has the following options on issue:

- 207,099,651 quoted options exercisable at 1.5 cents per option expiring 30/06/2018 held by 110 holders.
- 37,130,895 unquoted options exercisable at 5 cents per option expiring 31/12/2018 held by 22 holders.

The options do not carry a right to vote. All shares issued on exercise of options have the same voting rights as other ordinary shares.

### Distribution of Holders of Quoted Options

Range	Total Holders	Units	%
1 – 1,000	3	1,029	>0.01
1,001, - 5,000	8	15,998	0.01
5,001 – 10,000	3	19,999	0.01
10,001 – 100,000	18	781,717	0.38
100,001 – 999,999,999	78	206,280,908	99.59
<b>Total</b>	<b>110</b>	<b>207,099,651</b>	<b>100.00</b>

### Twenty Largest Holders of Quoted Options

Name	Units	%
1. Polarity B Pty Ltd	36,435,988	17.59
2. Mr Nachum Labkowski	16,500,000	7.97
3. Harapid Pty Ltd	11,677,419	5.64
4. Mr Emanuel Max Green + Mrs Sharon Green	10,752,686	5.19
5. Vernar Pty Ltd	10,000,000	4.83
6. Tangier Holdings Limited	10,000,000	4.83
7. Kushkush Investments Pty Ltd	8,793,333	4.25
8. Mr Anthony Violi	7,049,600	3.40
9. Mr Itzhak Benedikt + Mrs Rozette Benedikt	6,673,750	3.22
10. Firestone Capital Partners Pty Ltd	5,777,060	2.79
11. Jascot Rise Pty Ltd	5,000,000	2.41
12. Mr Paul Gabriel Sharbanee	4,999,999	2.41
13. Mr Frank Violi	4,133,332	2.00
14. Mr Ari Kantor	4,000,000	1.93
15. Denman Audio Pty Ltd	3,866,666	1.87
16. Mr John Ceccon + Mrs Maria Lynn McLean	3,679,009	1.78
17. Celtic Capital Pty Ltd	3,203,219	1.55
18. Ben Port Joseph Pty Ltd	3,098,926	1.50
19. Mining Investments Limited	3,000,000	1.45
20. Jomot Pty Ltd	2,749,998	1.33
<b>Top 20 holders</b>	<b>161,390,985</b>	<b>77.94</b>
<b>Total remaining holders</b>	<b>45,708,666</b>	<b>22.06</b>