

**Sportz Hero Pty Ltd**

**ABN 21 612 084 465**

**Annual Report - 30 June 2016**

**Sportz Hero Pty Ltd**  
**Directors' report**  
**30 June 2016**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Malcom Smartt (director since 27 April 2016)

**Principal activities**

The principal activities of Sportz Hero Pty Ltd are the investment in SportsHero Enterprise Pte Ltd, a sports software company based in Singapore.

**Dividends**

There were no dividends paid, recommended or declared during the current year.

**Review of operations**

The Company was incorporated on 27 April 2016. The loss of the company for the year amounted to \$152,700.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial year.

**Matters subsequent to the end of the financial year**

On 27 September 2016, the Company executed a Share Sale Agreement whereby the Company acquires an additional 83.33% in SportsHero Enterprise Pte Ltd (SPS), making SPS a 100% owned subsidiary. Subject to the satisfaction of conditions precedent, the Company will issue 60,000,000 Post Consolidation Shares in consideration.

Also on 27 September 2016, the Company executed a Share Purchase Agreement whereby 100% of the issued share capital of the Company will be acquired by Nevada Iron Ltd. Subject to the satisfaction of conditions precedent, Nevada Iron Limited will issue 36,000,000 Post Consolidation Shares and 72,000,000 Options each exercisable at \$0.05 each and expiring 31 August 2019.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

**Information on directors**

Malcom Smartt

Director

Qualifications: FCPA, FCIS, B. Degree in Accounting, Graduate Diploma in Corporate Management

Experience and expertise: 40 year in financial control and company secretarial work across public and private sectors

**Company Secretary**

Howard Dawson has held the role of Company Secretary since 27 April 2016.

**Meeting of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were two.

**Environmental regulation**

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Shares under option**

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

**Shares issued on the exercise of options**

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2016 and up to the date of this report.

**Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability 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.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

**Auditor's independence declaration**

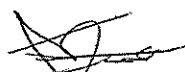
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

**Auditor**

RSM Australia Partners continues in office in accordance with Section 327 of the Corporation Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Malcom Smartt  
Director

3 October 2016

**Sportz Hero Pty Ltd**  
**Auditor's independence declaration**

[This page has intentionally been left blank for the insertion of the auditor's independence declaration]

**Sportz Hero Pty Ltd**  
**Contents**  
**30 June 2016**

**Contents**

Statement of profit or loss and other comprehensive income	5
Statement of financial position	<u>66</u>
Statement of changes in equity	<u>77</u>
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	<u>16</u>
Independent auditor's report to the members of Sportz Hero Pty Ltd	17

**General information**

The financial statements cover Sportz Hero Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Sportz Hero Pty Ltd's functional and presentation currency.

Sportz Hero Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

338 Hay Street  
Subiaco WA 6008

**Principal place of business**

338 Hay Street  
Subiaco WA 6008

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 October 2016. The directors have the power to amend and reissue the financial statements.

**Sportz Hero Pty Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2016**

	<b>Note</b>	<b>27.04.2016- 30.06.2016 \$</b>
<b>Revenue</b>		
Interest received	3	342
<b>Expenses</b>		
Administration expenses		(3,554)
Impairment of other financial assets		(149,223)
Finance costs		(265)
		<u>(152,700)</u>
<b>Loss before income tax expense</b>		<u>(152,700)</u>
Income tax expense	4	-
<b>Loss after income tax expense for the year attributable to the owners of Sportz Hero Pty Ltd</b>		<u>(152,700)</u>
Other comprehensive income for the year, net of tax		-
<b>Total comprehensive loss for the year attributable to the owners of Sportz Hero Pty Ltd</b>		<u>(152,700)</u>

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

**Sportz Hero Pty Ltd**  
**Statement of financial position**  
**As at 30 June 2016**

	<b>Note</b>	<b>30.06.2016</b> <b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6	36,085
Trade and other receivables	7	270
Total current assets		<u>36,355</u>
<b>Non-current assets</b>		
Other financial assets	5	543,810
Total non-current assets		<u>543,810</u>
<b>Total assets</b>		<u>580,165</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	8	2,865
Borrowings	9	30,000
Total current liabilities		<u>32,865</u>
<b>Total liabilities</b>		<u>32,865</u>
<b>Net assets</b>		<u>547,300</u>
<b>Equity</b>		
Issued capital	10	700,000
Accumulated losses	11	<u>(152,700)</u>
<b>Total equity</b>		<u>547,300</u>

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

**Sportz Hero Pty Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2016**

	<b>Issued capital \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 27 April 2016 - date of incorporation	-	-	-
Issue of shares	700,000	-	700,000
Total comprehensive loss	-	(152,700)	(152,700)
Balance at 30 June 2016	<u>700,000</u>	<u>(152,700)</u>	<u>547,300</u>

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



**Sportz Hero Pty Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2016**

	<b>Note</b>	<b>27.04.2016- 30.06.2016 \$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees		(1,224)
Interest received		<u>342</u>
Net cash used in operating activities	16	<u>(882)</u>
<b>Cash flows from investing activities</b>		
Payment for other financial assets		<u>(693,033)</u>
Net cash used in investing activities		<u>(693,033)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		30,000
Proceeds from issuance of shares		<u>700,000</u>
Net cash from financing activities		<u>730,000</u>
Net increase in cash and cash equivalents	6	36,085
Cash and cash equivalents at the beginning of the financial year		<u>-</u>
Cash and cash equivalents at the end of the financial year		<u>36,085</u>

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

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Sportz Hero Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Sportz Hero Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustments recognised for prior periods, where applicable.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**Note 1. Significant accounting policies (continued)**

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

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 and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

**Note 1. Significant accounting policies (continued)**

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

**Impairment of financial assets**

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows. The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets. Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available for-sale reserve.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

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.

**Note 1. Significant accounting policies (continued)**

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Impairment of other financial assets other than goodwill and other indefinite life intangible assets*

The consolidation entity assesses impairment of other financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less cost of disposal or value-in-use calculation, which incorporate a number of key estimates and assumptions.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Note 3. Interest income**

	2016 \$
Interest income	<u>342</u>

**Note 4. Income tax expense**

	2016 \$
<b>Reconciliation of income tax expense to prima facie tax payable</b>	
Loss before income tax	(152,700)
Prima facie income tax at 28.5%	(43,520)
Tax-effect of unused tax losses not brought to account	43,520
<b>Income tax expense</b>	<u>-</u>

**Tax losses:**

Unused tax losses for which no deferred tax asset has been recognised 152,700

Potential tax benefit @ 28.5% 43,520

The benefit for tax losses will only be obtained if:

- (i) The company derives income, sufficient to absorb tax losses.
- (ii) There is no change to legislation to adversely affect the company in realising the benefit from the deduction of the losses.

**Note 5. Non-current assets – other financial assets**

	2016 \$
Unlisted ordinary shares	<u>543,810</u>
Movement during the year:	
Opening value	-
Addition	693,033
Impairment of other financial assets	(149,223)
Closing value	<u>543,810</u>
Analysis of amounts denominated in non-functional currency:	
United States Dollar	<u>543,810</u>

**Note 6. Current assets - cash and cash equivalents**

	2016 \$
Cash at bank	36,085
	<u>36,085</u>

**Note 7. Current assets – trade and other receivables**

	2016 \$
GST refund	104
Other receivables	166
	<u>270</u>

**Note 8. Current liabilities – trade and other payables**

	2016 \$
Other payables	100
Accruals	2,765
	<u>2,865</u>

**Note 9. Current liabilities – borrowings**

	2016 \$
Non-bank loan	30,000
	<u>30,000</u>

The loan agreement provides that it is unsecured, with interest of 0.75% per month and repayable on 31 October 2016.

**Note 10. Equity - issued capital**

	2016 Shares	\$
Issue of shares - incorporation shares and at the end of the financial period	<u>700,000</u>	<u>700,000</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Note 11. Accumulated losses**

	2016 \$
Accumulated losses at the beginning of the period	-
Net loss for the period	(152,700)
Accumulated losses at the end of the period	<u>(152,700)</u>

**Note 12. Remuneration of auditors**

	2016 \$
Remuneration of the auditor for:	
- Auditing and reviewing of financial report	<u>2,500</u>

**Note 13. Contingent asset and liabilities**

There are no contingent asset or liabilities at the date of this report.

**Note 14. Commitments**

The company had no commitments for expenditure as at the date of this report.

**Note 15. Events after the reporting period**

On 27 September 2016, the Company executed a Share Sale Agreement whereby the Company acquires an additional 83.33% in SportsHero Enterprise Pte Ltd (SPS), making SPS a 100% owned subsidiary. Subject to the satisfaction of conditions precedent, the Company will issue 60,000,000 Post Consolidation Shares in consideration.

Also on 27 September 2016, the Company executed a Share Purchase Agreement whereby 100% of the issued share capital of the Company will be acquired by Nevada Iron Ltd. Subject to the satisfaction of conditions precedent, Nevada Iron Limited will issue 36,000,000 Post Consolidation Shares and 72,000,000 Options each exercisable at \$0.05 each and expiring 31 August 2019.

**Note 16. Reconciliation of profit after income tax to net cash from operating activities**

**27.04.2016-  
30.06.2016**  
\$

Loss for the year	(152,700)
Adjustment for:	
Impairment of Other financial assets	149,223
Change in operating assets and liabilities:	
Trade and other receivables	(270)
Trade and other payables	2,865
Net cash used in operating activities	<u>(882)</u>



**Sportz Hero Pty Ltd**  
**Directors' declaration**

In the directors' opinion:.

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Sportz Hero Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards to the extent described in Note 1, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Malcom Smartt  
Director

3 October 2016

**Sportz Hero Pty Ltd**  
**338 Hay St, Subiaco, WA 6008**

30 September 2016

Mr David Wall  
Partner  
RSM Australia Partners  
8 St George's Terrace  
PERTH WA 6000

Dear Sir

This representation letter is provided in connection with your audit of the financial report of Sportz Hero Pty Ltd for the period ended 30 June 2016, for the purpose of expressing an opinion as to whether the financial report gives a true and fair view, in all material respects, in accordance with the Australian Accounting Standards and the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 and complying with the Corporations Regulations 2001.

We confirm that:

*Financial Report*

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 1 August 2016, for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*; in particular the financial report gives a true and fair view in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- We have considered the requirements of Accounting Standard AASB 136 *Impairment of Assets*, when assessing the impairment of assets and in ensuring that no assets, including the investment in SportsHero Enterprise Pte Ltd with a carrying value of \$543,810 are stated in excess of their recoverable amount.
- The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company do not continue as going concerns.

- There were no uncorrected misstatements as 30 June 2016.

*Information Provided*

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial report.
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial report.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have provided you with all requested information, explanations and assistance for the purposes of the audit.
- We have provided you with all information required by the *Corporations Act 2001*.

Signed on behalf of the Board of Directors.

Yours faithfully



Malcolm Smartt  
Director

