ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016
(ACN 082 341 197)

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

The Directors in office during the financial year and at the date of this report (unless otherwise stated) were as follows:

Current Directors	**Appointed**	**Position**
Mr John Cahill	29 July 2016	Chairman
Ms Karen Amos	29 July 2016	Non-executive director
Mr Martin Casey	29 July 2016	Non-executive director
Former Directors	**Resigned/Retired**	
Mr David Schwartz	29 July 2016	Chairman
Mr John Mancini	29 July 2016	Managing Director
Mr Charles Morgan	29 July 2016	Non-executive director

[1] Shareholders approved the election of each of Mr de Mori, Mr Young and Mr Mison at the Extraordinary General Meeting of the Company held on 28 January 2016. Shareholders again approved the election of each of Mr de Mori, Mr Young and Mr Mison at the Extraordinary General Meeting of the Company held on 5 July 2016. At both times when shareholders approved the appointment of Mr de Mori, Mr Young and Mr Mison, the Company remained in Administration, under the control of the Administrators, and the proposed directors did not take up office.

Principal activities

The Company went into voluntary administration on 6 January 2015. Between 6 January 2015 and 19 August 2016 the Company was in Administration and controlled by the Administrators, PPB Advisory.

The Company was in Administration for the entirety of the financial year ended 30 June 2016.

A Deed of Company Arrangement (DOCA) was executed on 3 March 2015 and for the entire financial year, the Administrators were in discussions with the proponents of the DOCA to finalise the Administration.

Prior to Administration, the principal activities of the Company consisted of the provision of industrial and safety products and global procurement and supply chain management and services to clients across a range of industries in key regions in Africa, Asia and Australia.

Review of Operations for the Year

The Company was in Administration for the entirety of the financial year ended 30 June 2016.

The Company had been placed into Administration on 6 January 2015. The Company's creditors agreed a Deed of Company Arrangement (DOCA) which was executed on 3 March 2015 with the proponent of the DOCA being Otsana Pty Ltd.

During the financial year, control of the Company was with the Administrators. The Administrators, on behalf of the Company continued to deal with the affairs of the Company, including the trading of certain inventory and disposal of other Company assets.

There were a number of corporate actions taken in respect of the Company during the year ended 30 June 2016 as follows:

- **Variation to the DOCA on 25 September 2015.** The Company's creditors approved a variation to the DOCA put forward by Otsana Pty Ltd, with the variation executed on 25 September 2015. Under the variation to the DOCA executed on the 25 September 2015, an agreed amount of $590,000 (originally $600,000, but subsequently varied) was to be made available to settle creditors' claims and the Administrator fees under the DOCA upon the satisfaction of the conditions stipulated in the DOCA.

- **General Meeting of Shareholders on 28 January 2016.** A Shareholder's meeting was convened on 28 January 2016 to seek approval of matters relating to the proposed restructure of the Company. Whilst Shareholders approved all items at the General Meeting of Shareholders, not all of these matters were implemented. Two items approved by shareholders included:
  a. The consolidation of the issued capital of the company on the basis that every 40 shares be consolidated into 1 share. This was approved by shareholders and was implemented on 12 February 2016. The pre-consolidated number of shares of 316,456,218 became 7,911,590 post consolidation;
  b. The replacement of the Company's constitution. This was approved by shareholders.

  Shareholders approved the proposed issue of certain shares and options. However, the Company was unable to complete the share issue and option issue, in accordance with the time periods permitted by the ASX.

- **Completion of the DOCA and ending of the Administration**
  On 19 August 2016, the Varied DOCA entered into between the creditors of the Company and Otsana Pty Ltd, then subsequently assigned to Zweimal Pty Ltd, was effectuated and the Company's Administration ended. Accordingly, on 19 August 2016, the Administrators resigned and handed control of the Company back to its directors.

  Prior to completion of the DOCA, Otsana Pty Ltd entered into an agreement with Zweimal Pty Ltd (a company associated with Mr John Cahill) for Zweimal Pty Ltd to fund a number of payments under the DOCA and for Otsana Pty Ltd to assign all of its rights in the DOCA to Zweimal Pty Ltd. In accordance with the terms of the DOCA, the funds provided by Zweimal Pty Ltd were provided by way of loan funds from Zweimal Pty Ltd to the Company, and those funds were utilised to effectuate the DOCA and to end the Administration. Further details of the loan arrangement are set out in the Related Party transactions section at page 10.

  The effect of the DOCA was that the Administrators in effect disposed of the assets of the Company with there being no surplus assets after satisfaction of the terms of the DOCA. Accordingly, the Company ended its Administration with limited assets, and with the liability owed to Zweimal Pty Ltd to effect the DOCA. Zweimal Pty Ltd has also advised the directors that until advised otherwise, Zweimal Pty Ltd would continue to fund the Company by way of further loan funds.

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

Significant changes in the state of affairs
The Company remained in Administration during the year ended 30 June 2016 and until 19 August 2016 when the DOCA was effectuated.

Matters subsequent to the end of the financial year

The shareholders approved the restructure and recapitalisation proposal at the Annual General Meeting held on 5 July 2016. The key points are as follows:

(a) The consolidation of the issued capital of the company on the basis that every 2 shares be consolidated into 1 share;
(b) The issue of securities as follows: -
  a. Up to 35,000,000 shares to sophisticated and professional investors at an issue price of $0.00001 each to raise up to $350;
  b. Up to 75,000,000 shares to the above sophisticated and professional investors, existing shareholders and the general public at an issue price of not less than $0.01 each to raise up to $750,000; and
  c. Up to 35,000,000 unquoted options to the Promoter Nominees for nil consideration;
(c) The replacement of all existing directors and company secretary with new directors and company secretary on completion of the recapitalisation.

The issue of securities and raising of funds did not occur at the date of this report.

On 26 July 2016, the issued capital of the company were consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,955,924 post consolidation.

On 19 August 2016, the Varied DOCA entered into between the creditors of the Company and Otsana Pty Ltd, and then subsequently assigned to Zweimal Pty Ltd, was effectuated and the Company's Administration ended. Accordingly, on 19 August 2016, the Administrators resigned and handed control of the Company back to its directors. As at 30 June 2016, the loan balance owing to Otsana Pty Ltd was $110,000 (with the liability crystallised at completion of the Administration). This was subsequently assigned to Zweimal Pty Ltd in July 2016.

The DOCA and associated expenses were extinguished partly by proceeds from receivables recovered during the Administration and partly by way of a loan from Zweimal Pty Ltd (a company associated with Mr John Cahill). As at the date of this Report, the balance of the Zweimal Pty Ltd loan is $511,585.

Other than the above, there are no matters or circumstances that have arisen since the end of the year ended 30 June 2016 which have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial reporting periods.

Likely developments and expected results of operations

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments in the operations of the Company and the expected results of those operations in future financial years would be speculative and likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been included in this report.

Environmental regulation

The operations of the company are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Qualifications

The names, qualifications, and experience of the company's Directors in office during the year ended 30 June 2016 and until the date of this report are as below.

Mr John Cahill, Chairman

Mr John Cahill was appointed a director on 29 July 2016, and assumed the chairmanship when the Company ended its Administration.

John is a fellow of the Institute of Public Accountants and has specialized in supply chain solutions for the past 35 years. John's experience includes shipping, freight forwarding, warehouse logistics, trade finance solutions and road transport.

John has been a director and company secretary of a number of large logistics companies where he has specialised in turning around loss making businesses. John is not currently a director of another public company.

Interest in Shares and Options: 533,750 ordinary shares

Ms Karen Amos, Non-executive Director

Ms Karen Amos was appointed a director on 29 July 2016.

Karen is part of the executive leadership team at Speedmark Australia Pty Ltd, a private Australian based freight forwarder and logistics Company. Amongst other industry qualifications, Karen is a Fellow of the Australian Institute of Management, and holds an MBA from the University of Queensland.

Karen has over 40 years' experience in international logistics and trade, with experience in project management roles and business restructuring.

Directorships held in other listed entities: Nil

Interest in Shares and Options: 1,313 ordinary shares

Mr Martin Casey, Non-executive Director

Mr Martin Casey was appointed a director on 29 July 2016.

Mr Casey is a corporate adviser, with experience as an investment banker and qualified lawyer and he advises a number of clients. Martin was previously a Director of Corporate Advisory at investment bank Credit Suisse and before that, a partner in an international law firm (now Norton Rose Fulbright).

Martin is a current director of Thorney Technologies Ltd (ASX:TEK) and is a director of a number of private companies.

Interest in Shares and Options: 5,000 ordinary shares

Other directors

Whilst Mr Schwartz, Mr Mancini and Mr Morgan were directors for the entire financial year, the company was under the control of the Administrators for the entire financial year. Their qualifications were set out in the 2015 Annual Report. They resigned as directors on 29 July 2016.

COMPANY SECRETARY
The Company Secretary is Mr Martin Casey, appointed on 29 July 2016.

MEETING OF DIRECTORS

There were no meetings of the Company's board of directors held during the year ended 30 June 2016 as it was under Administration.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of the remuneration for each key management personnel of ADG Global Supply Limited and for the executives receiving the highest remuneration for 30 June 2016.

From the period 6 January 2015 to 19 August 2016, the company was under administration, under the control of the Company's Administrators. The information provided is based on prior years' principles and policies in effect for the company at the time.

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration

B. Details of remuneration

C. Service agreements

D. Share-based compensation

E. Link between remuneration policy and Company performance

A. Principles used to determine the nature and amount of remuneration

The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- performance linkage / alignment of executive compensation;
- transparency

The company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The remuneration framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority within the company, the balance of this mix shifts to a higher proportion of "at risk" rewards.

Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum and was approved by shareholders at the Annual General Meeting on 20 November 2008.

Executive Pay

The executive pay and reward framework has the following component:

- base pay and benefits, including superannuation;
- short-term performance based incentives; and
- long-term incentives.

Base pay

This is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executives' contracts.

Benefits

Executives receive, in the majority, cash in lieu of benefits.

Short-term performance based incentives

Senior executives are offered short-term, cash, performance based incentives which are linked into specific performance targets including profitability and other operational objectives.

Long-term incentives

Senior executives are also offered long-term, share based incentives through the company's Employee Share Plan which was approved by shareholders at the Annual General Meeting on 21 November 2012.

B. Details of remuneration

There was no known remuneration for the directors and the key management personnel of ADG Global Supply Limited for the year ended 30 June 2016.

	SHORT-TERM			POST-EMPLOYMENT		SHARE BASED PAYMENT	TOTAL
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Retirement Benefits $	Options $	$
30 June 2016							
David Schwartz	-	-	-	-	-	-	-
Charles Morgan	-	-	-	-	-	-	-
John Mancini	-	-	-	-	-	-	-
Paul Roberts	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-

Administrators' remuneration

PPB Advisory was the Administrator of the Company. The remuneration of the Administrators was calculated on a time and materials basis, and in accordance with approvals from creditors. The Administrators' remuneration (including reimbursement of expenses) were paid from the creditors trust established under the terms of the DOCA.

Total remuneration paid to the Administrators during the Administration for the period 6 January 2015 to 19 August 2016 was $453,549.

For the year ended 30 June 2015, the key management personnel of the company are the Directors of ADG Global Supply Limited that held office during the financial year, and the following executive:

P Roberts – Chief Financial Officer/Company Secretary

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the company for the year ended 30 June 2015 are set out in the following tables:

	SHORT-TERM			POST-EMPLOYMENT		SHARE BASED PAYMENT	TOTAL
	Salary & Fees $	Cash Bonus $	Non Monetary benefits $	Superannuation $	Retirement Benefits $	Options $	$
30 June 2015							
David Schwartz*	26,000	-	-	-	-	-	26,000
Charles Morgan**	15,000	-	-	-	-	-	15,000
John Mancini	162,334	-	-	9,195	-	-	171,529
Paul Roberts	81,338	-	-	4,160	-	-	85,498
TOTAL:	284,672	-	-	13,355	-	-	298,027

*David Schwartz had accrued Directors fees amounting to $26,000 for the period of July 2014 to the date of administration, which have been included in the table above. As part of the DOCA entered into in 2015, Mr Schwartz agreed to forego the outstanding amount upon the execution of the varied DOCA on 25 September 2015.

**Charles Morgan had accrued Directors fees amounting to $15,000 for the period of July 2014 to the date of administration, which have been included in the table above. As part of the DOCA entered into in 2015, Mr Morgan agreed to forego the outstanding amount upon the execution of the varied DOCA on 25 September 2015.

C. Service agreements

There are no key management personnel that have or had service agreements for the year ended 30 June 2016.

D. Share-based compensation

There were no shares issued to directors or key management personnel as part of compensation during the year.

The number of shares in the company held during the financial year by each director and key management personnel of the company is set out below:

	Balance 01-Jul-15	Granted as Remuneration	On Exercise of Options	Net Change Other (1:40 consolidation)	Balance 30-June-16
Current directors#					
Mr John Cahill	-	-	-	-	-
Karen Amos	-	-	-	-	-
Martin Casey	-	-	-	-	-
Former directors					
David Schwartz	27,184,449	-	-	(26,504,838)	679,611
John Mancini	10,418,767	-	-	(10,158,298)	260,469
Charles Morgan	32,025,160	-	-	(31,224,531)	800,629
Paul Roberts	2,486,250	-	-	(2,424,094)	62,156
	72,114,626			**(70,311,761)**	**1,802,865**

Subsequent to year end, the Company's shares were further consolidated on the basis of 1 for 2 effectuated on 26 July 2016.

All equity transactions with directors and key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Appointed on 29 July 2016

Related party transactions – non-remuneration related

For the period 6 January 2015 to 19 August 2016, the company was under administration.

As at completion of the Administration, in accordance with the terms of the Deed of Company Arrangement (DOCA), Zweimal Pty Ltd, a company associated with Mr John Cahill, advanced a total of $450,450 (inclusive of GST) in order to effect the completion of the DOCA. Zweimal Pty Ltd has continued to fund the Company's operations under the terms of this loan. As at the date of this report, the loan balance is a total of $511,185.

The loan from Zweimal Pty Ltd is repayable within 5 years, or earlier upon certain circumstances, including the issue of new capital. The loan accrues interest at the rate of 500bps margin over the Reserve Bank Cash rate, after an initial period to 31 March 2017. Zweimal Pty Ltd may secure the loan by way of a security interest over all property of the Company.

E. Link between remuneration policy and Company performance

The table below sets out summary information about the company's earnings and movements in shareholder wealth for the five years to 30 June 2016.

	2016 $	2015 $	2014 $	2013 $	2012 $
Revenue ($000's)	1,794	21,867	37,015	79,374	83,682
Profit / (loss) after taxation ($000's)	1,437	(10,640)	(18,009)	(1,031)	1,752
Dividend	-	-	-	-	-
Basic earnings (cents per share)	18.17*	(3.36)	(6.10)	(0.42)	0.79
Diluted earnings (cents per share)	18.17*	(3.36)	(6.10)	(0.42)	0.79
Share price at 30 June ($)	N/A+	N/A+	0.012	0.019	0.060

+Suspended as the company has been under voluntary administration since 6 January 2015.

*On 12 February 2016, the issued capital of the company was consolidated on the basis that every 40 shares were consolidated into 1 share. The pre-consolidated number of shares of 316,456,218 became 7,911,590 post consolidation.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued 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.

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

Indemnity and insurance of auditor
The company has not, during or since 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.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Rounding of amounts
The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included within this financial report.

This director's report incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

This report is made in accordance with a resolution of the directors.

Mr John Cahill
Director
Date: 3 April 2017

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

	Notes	30 June 2016 $'000	Consolidated 30 June 2015 $'000
Revenue	4	**-**	**21,868**
Other income	4	1,794	-
Expenses			
Raw materials and consumables used		-	(18,385)
Employee benefits expense		-	(2,148)
Depreciation and amortisation expense		-	(172)
Loss on disposal of controlled entities	10	-	(10,252)
Other expenses	4	(357)	(1,180)
Finance costs	4	-	(371)
Profit/(loss) before income tax		1,437	(10,640)
Income tax expense	5	-	-
Profit/(loss) attributable to the members of ADG Global Supply Limited		**1,437**	**(10,640)**
Other comprehensive income			
Items that may be reclassified subsequently to operating result			
Foreign currency translation reserve		-	(331)
Other comprehensive income for the year (net of tax)		-	(331)
Total Comprehensive Income/(Loss) attributable to the members of ADG Global Supply Limited		**1,437**	**(10,971)**
Profit/(loss) per share (cents per share)	16		
- basic earnings/(loss) per share		18.17	(134.49)
- diluted earnings/(loss) per share		18.17	(134.49)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 $'000	Consolidated 30 June 2015 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		-	-
Trade and other receivables		-	-
Inventory		-	-
Other assets		-	-
Total Current Assets		-	-
Non-Current Assets			
Deferred tax asset		-	-
Property, plant and equipment		-	-
Intangible assets		-	-
Total Non-Current assets		-	-
TOTAL ASSETS		**-**	**-**
LIABILITIES			
Current liabilities			
Trade and other payables	6	448	384
Income tax payable		-	-
Borrowings	7	6,289	7,790
Provisions		-	-
Total Current Liabilities		6,737	8,174
Non-Current Liabilities			
Provisions		-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		**6,737**	**8,174**
NET LIABILITIES		**(6,737)**	**(8,174)**
EQUITY			
Issued capital	8	18,684	18,684
Options valuation reserve		345	345
Foreign exchange translation reserve		-	-
Accumulated losses		(25,766)	(27,203)
TOTAL EQUITY		**(6,737)**	**(8,174)**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	30 June 2016 $'000	Consolidated 30 June 2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,794	20,534
Payments to suppliers and employees		(293)	(20,169)
Interest paid		-	(371)
Net income tax paid		-	(15)
Net cash flows provided by/(used in) operating activities	15	**1,501**	**(21)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(58)
Net cash flows used in investing activities		**-**	**(58)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		(1,501)	(147)
Net cash flows used in financing activities		**(1,501)**	**(147)**
Net decrease in cash and cash equivalents		-	(226)
Cash and cash equivalents at beginning of year		-	226
Cash and cash equivalents at end of the year		**-**	**-**
RECONCILIATION OF CASH			
Cash at bank and in hand		-	-
		-	**-**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued capital	Options valuation reserve	Foreign exchange translation reserve	Retained earnings / (accumulated losses)	Total equity
		$'000	$'000	$'000	$'000	$'000
Consolidated						
At 1 July 2014		**18,684**	**378**	**331**	**(16,563)**	**2,830**
Loss for the year		-	-	-	(10,640)	(10,640)
Other comprehensive income for the period (net of tax)		-	-	(331)	-	(331)
Total comprehensive income/(loss) for the period		-	-	(331)	(10,640)	(10,971)
Transactions with owners, in their capacity as owners						
Net value of options cancelled during the year		-	(33)	-	-	(33)
At 30 June 2015		**18,684**	**345**	**-**	**(27,203)**	**(8,174)**
Company						
At 1 July 2015		**18,684**	**345**	**-**	**(27,203)**	**(8,174)**
Profit for the year		-	-	-	1,437	1,437
Other comprehensive income for the period (net of tax)		-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	1,437	1,437
At 30 June 2016		**18,684**	**345**	**-**	**(25,766)**	**(6,737)**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

ADG Global Supply Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issue in accordance with a resolution of the directors dated 3 April 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board, and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on the going concern basis and contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the company had net current liabilities and net liabilities of $6.737 million.

These factors indicate a material uncertainty which may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that ADG Global Supply Limited will continue as a going concern after consideration of the following factors:

- The varied Deed of Company Arrangement ("DOCA") has been effectuated and all liabilities associated with the administration of ADG Global Supply Limited has been extinguished, other than the loan from Zweimal Pty Ltd; and
- The Company plans to raise capital to enable it to pursue business opportunities.

Upon satisfaction of all conditions associated with the reinstatement of the shares on the ASX, the Company's securities will be reinstated on the ASX in due course.

Accordingly, the Directors believe that ADG Global Supply Limited will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

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 does not continue as a going concern.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the consolidated entity has passed control of the goods to the buyer.

Sale of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest

Interest is recognised when earned.

(c) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

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

No except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

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

(d) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed immediately to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 6 months or less.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to statement of profit or loss and other comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted, including recent arm's length transactions, reference to similar instruments and option pricing models.

Amortised cost is the amount at which the financial asset or liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss or other comprehensive income.

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

(f) Financial Instruments (Cont'd)

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

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in the statement of profit or loss and other comprehensive income through the amortisation process and when the financial asset is derecognised.

ii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial assets has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services rendered by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) 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.

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

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The company deconsolidated its controlled entities from the financial statements on 6 January 2015 when the company went into voluntary administration and lost control of the controlled entities. Therefore, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended 30 June 2015 were that of the consolidated entity while the statement of financial position as at 30 June 2015 was that of the company.

(k) Rounding of Amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicate of impairment triggers. Recoverable amounts of impairment assets are reassessed and compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(n) New, revised or amending Accounting Standards and Interpretation adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

(n) New, revised or amending Accounting Standards and Interpretation adopted (Cont'd)

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's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

2. FINANCIAL RISK MANAGEMENT

For the period from 6 January 2015 to 19 August 2016, the company has been in administration. The company did not engage in any business activities during this period and there were no financial risk management policies in existence as at 30 June 2016.

3. SEGMENT INFORMATION

(a) Products and services from which reportable segments derive their revenues

The company has been in administration for the period from 6 January 2015 to 19 August 2016. The company deconsolidated its controlled entities on 6 January 2015 when it went into voluntary administration and lost control of its controlled entities.

For the year ended 30 June 2015, before the company deconsolidated its controlled entities after losing control when it went into voluntary administration, the operating businesses were organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Industrial Products includes products that are manufactured and/or distributed by the company including safety products, products for MRO (maintenance, repairs & operations) and off -the-road tyres. Global Procurement is a service which assists clients with purchasing and supply of a range of goods and capital equipment to site. Supply Chain covers a comprehensive range of logistics, in-country support, freight forwarding and project logistics services.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

   Unless stated otherwise, all amounts reported to the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the company.

b. Segment assets

   Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

c. Segment liabilities

   Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the company as a whole and are not allocated. Segment liabilities include trade and other payables and direct borrowings.

d. Unallocated items

   The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

   - Impairment of intangible assets;
   - Loss on disposal of controlled entities
   - Income tax expense;
   - Tax balances;
   - Borrowings & finance costs; and
   - Cash and cash equivalents.

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

3. SEGMENT INFORMATION (CONT'D)

(b) Operating segments (continued)

	INDUSTRIAL PRODUCTS	GLOBAL PROCUREMENT	SUPPLY CHAIN	TOTAL
	$'000	$'000	$'000	$'000
YEAR ENDED 30 JUNE 2015				
Revenue				
Sales to external customers	850	17,013	4,005	21,868
Other revenues from external customers				-
Total segment revenue				21,868
Result				
Operating loss				(16)
Loss on disposal of controlled entities				(10,252)
Finance costs				(372)
Loss before income tax				(10,640)
Income tax expense				-
Net loss for the year				(10,640)
Assets and liabilities				
Segment assets	-	-	-	-
Unallocated assets				-
Total assets				-
Segment liabilities	-	-	-	-
Unallocated liabilities				8,174
Total liabilities				8,174

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

4. REVENUE AND EXPENSES

		Consolidated
	2016 $'000	2015 $'000
REVENUE		
Sales revenue	-	21,868
Total revenue	-	21,868
Other income	1,794	-
Total other income	1,794	-
FINANCE COSTS		
Bank loans and overdrafts	-	371
Total finance costs	-	371
OTHER EXPENSES		
Travel and accommodation	-	194
Cost of inventories recognised as an expense	-	18,385

5. INCOME TAX

		CONSOLIDATED
	2016 $'000	2015 $'000
The major components of income tax expense are:		
Current income tax	-	-
Deferred income tax	-	-
Income tax expense	-	-

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

5. INCOME TAX (CONT'D)

A reconciliation of income tax expense/(benefit) applicable to accounting results before income tax at the statutory income tax rate to income tax expense/(benefit) at the company's effective income tax rate for the years ended 30 June 2016 and 30 June 2015 is as follows:

		CONSOLIDATED
	2016 $'000	2015 $'000
Profit/(loss) before income tax	1,437	(10,640)
At the statutory income tax rate of 30% (2015: 30%)	431	(3,192)
Expenditure not allowable for income tax purposes	-	3,076
Deferred tax asset not recognised	-	116
Utilisation of tax losses not previously recognised as deferred tax asset	(431)	-
At effective income tax rate of Nil (2015: Nil)	-	-

A deferred tax asset amounting to $3.109 million, attributable to income tax losses has not been recognised at reporting date as the probability criteria disclosed in Note 1(c) is not satisfied and such benefit will only be available if the conditions of deductibility, also disclosed in Note 1(c), are satisfied and the company is able to meet the continuity of ownership and/or continuity of business tests.

6. TRADE AND OTHER PAYABLES

		Consolidated
	2016 $'000	2015 $'000
Trade payables – subject to the DOCA	84	84
Payable to the Administrator	124	70
Accruals and other payables- subject to DOCA	230	230
Accruals and other payables	10	-
	448	384

As noted throughout this report, the company appointed an Administrator on 6 January 2015. All trade and other payables subject to DOCA and payable to the Administrator have been recorded at their amortised cost until such time where the creditors have agreed to settlement of amounts owing.

As the Varied DOCA was effectuated on 19 August 2016, the payable balances that are subject to DOCA and recorded as at 30 June 2016 have been extinguished**.** The DOCA and associated expenses were extinguished partly by proceeds from receivables recovered during the Administration and partly by way of a loan from Zweimal Pty Ltd (a company associated with Mr John Cahill).

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

7. BORROWINGS

Borrowings are comprised of the following:

		Consolidated
	2016 $'000	2015 $'000
CURRENT		
Bank loan facilities (Subject to DOCA)	6,179	7,790
Loan from Otsana Pty Ltd	110	-
	6,289	7,790

Interest charges with respect to the bank loan facilities have been suspended since the company went into voluntary administration on 6 January 2015.

Classification

All bank borrowings have been classified as current in the financial statements as the company was under voluntary administration from 6 January 2015 to 19 August 2016. All borrowings subject to DOCA have been recorded at their amortised cost until such time where the lender have agreed to settlement of amounts owing.

Prior to completion of the DOCA, Otsana Pty Ltd entered into an agreement with Zweimal Pty Ltd (a company associated with Mr John Cahill) for Zweimal Pty Ltd to fund a number of payments under the DOCA and for Otsana Pty Ltd to assign all of its rights in the DOCA to Zweimal Pty Ltd. As at 30 June 2016, the loan balance owing to Otsana Pty Ltd was $110,000 (with the liability crystallised at completion of the Administration). This was subsequently assigned to Zweimal Pty Ltd in July 2016.

As the Varied DOCA was effectuated on 19 August 2016, the bank borrowings balances recorded as at 30 June 2016 have been extinguished**.** The DOCA and associated expenses were extinguished partly by proceeds from receivables recovered during the Administration and partly by way of a loan from Zweimal Pty Ltd (a company associated with Mr John Cahill). As at 19 August 2016, the loan balance owing to Zweimal Pty Ltd was $450,450, including $110,000 assigned from Otsana Pty Ltd. As at the date of this Report, the loan balance owing to Zweimal Pty Ltd is $511,185.

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

8. ISSUED CAPITAL

Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	2016 Number	2015 Number
ORDINARY SHARES		
Issued and fully paid	7,911,590	316,456,218

	Date	Number	$000's
MOVEMENT IN ORDINARY SHARES ON THE ISSUE			
At 1 July 2014		316,456,218	18,684
At 30 June 2015		316,456,218	18,684
Share consolidation on the basis of every 40 shares consolidated into 1 share		(308,544,628)	-
At 30 June 2016		7,911,590	18,684

On 12 February 2016, the issued capital of the company were consolidated on the basis that every 40 shares were consolidated into 1 share. The pre-consolidated number of shares of 316,456,218 became 7,911,590 post consolidation.

On 26 July 2016, the issued capital of the company were consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,713,111 shares post consolidation.

9. COMMITMENTS AND CONTINGENCIES

There were no contingent liabilities or capital commitments, not provided for in the financial statements of the company as at 30 June 2016.

10. CONTROLLED ENTITIES

The company deconsolidated its controlled entities from the financial statements on 6 January 2015 when the company went into voluntary administration and lost control of the controlled entities.

Details of deconsolidation	2016 $'000	2015 $'000
Net carrying value of assets disposed	-	(10,953)
De-recognition of foreign currency translation reserve	-	701
Loss on disposal before income tax	-	(10,252)
Income tax expense	-	-
Loss on disposal after income tax	-	(10,252)

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

11. RELATED PARTIES

For the period 6 January 2015 to 19 August 2016, the company was under administration. The current directors were not the directors during any part of the financial year ended 30 June 2016.

Key management personnel
Disclosure relating to key management personnel are set out in the remuneration report in the directors' report.

Transactions with related parties
There were no related party transactions during year ended 30 June 2016 (2015: Nil).

Related party balances
Amount owing to Sharecorp Pty Ltd, an entity in which David Schwartz has a beneficial interest, amounted to $52,000 as at 30 June 2016 (2015: $52,000) for director fees. These were extinguished in the DOCA.

Amount owing to Seaspin Pty Ltd, an entity in which Charles Morgan has a beneficial interest amounted to $30,000 as at 30 June 2016 (2015: $30,000) for director fees. These were extinguished in the DOCA.

12. EVENTS AFTER THE REPORTING DATE

The shareholders approved the restructure and recapitalisation proposal at the Annual General Meeting held on 5 July 2016. The key points are as follows:

(a) The consolidation of the issued capital of the company on the basis that every 2 shares be consolidated into 1 share;
(b) The issue of securities as follows: -
  a. Up to 35,000,000 shares to sophisticated and professional investors at an issue price of $0.00001 each to raise up to $350;
  b. Up to 75,000,000 shares to the above sophisticated and professional investors, existing shareholders and the general public at an issue price of not less than $0.01 each to raise up to $750,000; and
  c. Up to 35,000,000 unquoted options to the Promoter Nominees for nil consideration;
(c) The replacement of all existing directors and company secretary with new directors and company secretary on completion of the recapitalisation.

The issue of securities and raising of funds did not occur at the date of this report.

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

12. EVENTS AFTER THE REPORTING DATE (CONT'D)

On 26 July 2016, the issued capital of the company were consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,955,924 post consolidation.

On 19 August 2016, the Varied DOCA entered into between the creditors of the Company and Otsana Pty Ltd, and then subsequently assigned to Zweimal Pty Ltd, was effectuated and the Company's Administration ended. Accordingly, on 19 August 2016, the Administrators resigned and handed control of the Company back to its directors. As at 30 June 2016, the loan balance owing to Otsana Pty Ltd was $110,000 (with the liability crystallised at completion of the Administration). This was subsequently assigned to Zweimal Pty Ltd in July 2016.

The DOCA and associated expenses were extinguished partly by proceeds from receivables recovered during the Administration and partly by way of a loan from Zweimal Pty Ltd (a company associated with Mr John Cahill). As at the date of this Report, the loan balance owing to Zweimal Pty Ltd loan is $511,585.

Other than the above, there are no matters or circumstances that have arisen since the end of the year ended 30 June 2016 which have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial reporting periods.

13. AUDITORS' REMUNERATION

		Consolidated
	2016 $'000	2015 $'000
Amounts received or due and receivable by the current auditor, RSM Australia Partners for:		
• an audit or review of the financial report	17	37
	17	37

14. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation
Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the company's directors and key management personnel for the year ended 30 June 2016 and 30 June 2015.

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2016 $'000	2015 $'000
Short-term employee benefits	-	285
Post-employment benefits	-	13
Share-based payments	-	-
	-	298

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

15. CASH FLOW INFORMATION

Reconciliation of net loss after tax to the net cash flows from operations	30 June 2016 $'000	Consolidated 30 June 2015 $'000
Net profit/(loss) after taxation	1,437	(10,640)
ADJUSTMENTS FOR:		
Depreciation and amortisation	-	172
Options Valuation Expense	-	(33)
Loss on disposal of controlled entities	-	10,252
CHANGES IN ASSETS AND LIABILITIES		
Inventories	-	(1,677)
Trade and other receivables	-	(1,334)
Other assets	-	141
Deferred tax assets and liabilities	-	(16)
Trade and other payables	64	3,147
Provisions	-	(33)
Net cash flows provided by/(used in) operating activities	**1,501**	**(21)**

NOTES TO FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

16. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net earnings for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings/(loss) per share amounts are calculated by dividing the net earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

		CONSOLIDATED
	2016	2015
	$'000	$'000
Net profit/(loss) attributable to ordinary shareholders for basic earnings/(loss) per share	1,437	(10,640)
Effect of dilutive equity instruments	-	-
Net profit/(loss) attributable to ordinary shareholders for diluted earnings/(loss) per share	1,437	(10,640)

	Number of shares	Number of shares
Weighted average number of ordinary shares for basic loss per share	7,911,590+	7,911,590#
Effect of dilution:	-	-
Adjusted weighted average number of ordinary shares for diluted loss per share	7,911,590+	7,911,590#

+On 12 February 2016, the issued capital of the company were consolidated on the basis that every 40 shares were consolidated into 1 share. The pre-consolidated number of shares of 316,456,218 became 7,911,590 post consolidation.

#For the purpose of comparison of earnings per share, prior year total number of shares of 316,456,218 is shown as if the share consolidation of every 40 shares into 1 share occurred in the prior year.

The number of ordinary shares on issue at 30 June 2016 was 7,911,590 (2015: 316,456,218).

On 26 July 2016, the issued capital of the company were consolidated on the basis that every 2 shares were consolidated into 1 share. The pre-consolidated number of shares of 7,911,590 became 3,955,924 post consolidation.

17. REGISTERED OFFICE

The registered office and principal place of business is:

Unit 132, 15 Hall Street
Port Melbourne Victoria 3207

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1;
- the attached financial statements and notes thereto give 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; and
- subject to the matters described in Note 1(a), 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

John Cahill
Director

Dated: 3 April 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADG GLOBAL SUPPLY LIMITED

Report on the Financial Report

We were engaged to audit the accompanying financial report of ADG Global Supply Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that 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 conducting the audit in accordance with Australian Auditing Standards. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ADG Global Supply Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Disclaimer of Opinion

The company went into voluntary administration 6 January 2015 and remained in administration for the entirety of the financial year ended 30 June 2016. We were unable to obtain sufficient appropriate evidence to verify the amounts disclosed in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2016. As a result, we were unable to determine whether any adjustments were necessary in respect of these amounts.

As disclosed in Note 1, the company had net current liabilities and net liabilities of $6.727 million as at 30 June 2016. The ability of the company to continue as a going concern is contingent on the ability of the company to raise sufficient capital to pay its debts and fund future operations. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. As a result, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. We were unable to determine whether any adjustments to the financial statements were necessary.

Disclaimer of Opinion

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

Report on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of ADG Global Supply Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 3 April 2017

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of ADG Global Supply Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PTY LTD

Perth, WA
Dated: 3 April 2017

TUTU PHONG
Director

Additional shareholder information

Voting rights
All ordinary shares carry one vote per share without restriction.

Distribution of shareholders - As at 7 March 2017

Category	Ordinary shareholders
1 – 1,000 shares	418
1001 – 5,000 shares	84
5001 – 10,000 shares	27
10,001 – 100,000 shares	53
100,001 or more shares	6
Total number of holders	**588**
Number of shareholders holding less than a marketable parcel	**588**

20 largest shareholders of ordinary shares As at 7 March 2017

CUSTODIAL SERVICES LIMITED	488,596	12.35%
SEASPIN PTY LTD	400,315	10.12%
SPEEDMARK AUSTRALIA PTY LTD	356,250	9.01%
ALET INVESTMENTS PTY LTD	287,726	7.27%
SKYE ALBA PTY LTD	168,313	4.25%
MAGNA GROUP B V	163,750	4.14%
TWO TOPS PTY LTD	81,182	2.05%
RUBI HOLDINGS PTY LTD	79,257	2.00%
MR JOHN MANCINI	77,084	1.95%
BERNE NO 132 NOMINEES PTY LTD	75,000	1.90%
MR DANIEL CHRISTOPHER MATTHEW	70,143	1.77%
MOUTIER PTY LTD	69,440	1.76%
TWO OWLS INVESTMENTS PTY LTD	54,387	1.37%
MAGNA GROUP BV	52,084	1.32%
SCE SUPERANNUATION PTY LTD	50,000	1.26%
JASFORCE PTY LTD	50,000	1.26%
MR DAVID JACOB SCHWARTZ &	46,050	1.16%
JASFORCE PTY LTD	43,750	1.11%
ADELANTE PTY LTD	39,149	0.99%
M & M SCHAILLEE PTY LTD	37,500	0.95%
Total Securities of Top 20 Holdings	2,689,976	67.999%
Total of Securities	3,955,924	