



Appendix 4E

Preliminary final report Year ended 30 June 2018

VDM Group Limited

ABN 95 109 829 334
ASX Code: VMG

The information contained in this report relates to the following years:

Current year - year ended 30 June 2018

Prior year - year ended 30 June 2017

Results for the current period (\$000)		Change from the prior year
Revenue from continuing operations	563	Down 60.6%
Loss from continuing operations after tax attributable to members	(2,881)	Down 25.9%
Net loss for the period attributable to members	(2,881)	Down 10.8%

Net tangible assets:

	Current period	Corresponding period
Net tangible (liabilities)/assets per ordinary security at end of year (cents per share) ⁽¹⁾	(0.17)	(0.20)

Notes:

1. Exploration and evaluation assets are excluded from "tangible assets" for purposes of above calculation.

Dividend payments:

VDM does not propose to pay a dividend for the year ended 30 June 2018.

Supplementary Comments

Additional Appendix 4E disclosures are contained in the attached preliminary financial report for the year ended 30 June 2018.



VDM GROUP LIMITED

and its Controlled Entities

ABN 95 109 829 334

**PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2018**

VDM GROUP LIMITED

CORPORATE INFORMATION

DIRECTORS

Mr Luk Hiuming	Non-executive Chairman
Dr Hua Dongyi	Executive Director of Mining
Mr Michael Fry	Non-executive Director

CHIEF EXECUTIVE OFFICER

Mr Sam Diep (until 28 August 2017)

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr Michael Fry

REGISTERED AND PRINCIPAL OFFICE

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VDM Group Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code	VMG
ACN	109 829 334
ABN	95 109 829 334

In this report, the following definitions apply:

“**Board**” means the Board of Directors of VDM Group Limited

“**Company**” means VDM Group Limited ABN 95 109 829 334

“**VDM**” or “**Group**” means VDM Group Limited and its controlled entities

VDM GROUP LIMITED

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VDM GROUP LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2018

OPERATING AND FINANCIAL REVIEW

Over the course of the 2018 financial year VDM's main focus was in the area of Mining, being the business sector that is expected to provide the best investment returns for shareholders and position VDM for long term success.

The Mining division's sole project is the Cachoeiras do Binga (CdB) (79% VDM) located in Angola in Southern Africa. CdB is prospective for copper mineralisation. During the course of the year, VDM worked with its project partners to overcome safety concerns, mainly related to potential safety hazards identified at site, to enable exploration activities to be undertaken and allowing drilling to start in mid-June 2018. The CdB partners received excellent assistance and cooperation from the Government of Angola, exploration contractor Shandong Geo Mineral International, and technical services contractor SRK Consulting in addressing the situation and allowing the drilling program to commence.

Activity in the Construction division was limited to closing out contracts entered into for the delivery of imported structural steel to Western Australian construction clients.

The Trading division continued to assess opportunities and to search for a partner to scale the trading business to market-competitive levels.

Revenue from continuing operations was \$563,000 (2017: \$1,430,000) a decrease of 60.6% from the prior year, reflecting the close-out of structural steel sales agreements within the Construction division, with no new arrangements being entered into.

The loss from continuing operations after tax of \$2,881,000 (2017: \$3,890,000) is 25.9% lower than the prior year, mainly due to a reduction of corporate expenses.

VDM GROUP LIMITED
PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
Continuing operations			
Revenue	2	563	1,430
Expenses			
Materials and inventory		(378)	(1,201)
Employee benefits expense	3a	(995)	(1,970)
Occupancy related expenses		(124)	(613)
Depreciation and amortisation	3b	(96)	(176)
Impairment	3c	(350)	(412)
Onerous contracts expense		-	(29)
Legal expenses		(269)	(98)
Finance costs	3d	(544)	(474)
Other expenses	3e	(697)	(346)
Total expenses		(3,453)	(5,319)
Profit/(loss) on sale of assets		9	(1)
Other income and expenses		9	(1)
Loss from continuing operations before income tax		(2,881)	(3,890)
Income tax expense	5	-	-
Loss from continuing operations after income tax		(2,881)	(3,890)
Discontinued operations			
Profit from discontinued operations after income tax	4	-	659
Loss for the year		(2,881)	(3,231)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,881)	(3,231)
Total comprehensive loss for the period is attributed to:			
Owners of the parent		(2,881)	(3,231)
		(2,881)	(3,231)
Loss per share			
Basic loss per share (cents per share)		(0.05)	(0.06)
Diluted loss per share (cents per share)		(0.05)	(0.06)
Loss per share from continuing operations			
Basic loss per share (cents per share)		(0.05)	(0.07)
Diluted loss per share (cents per share)		(0.05)	(0.07)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
ASSETS			
Current assets			
Cash and cash equivalents	8	3,954	1,366
Security deposits	9	38	198
Trade and other receivables	10	398	538
Inventory	11	-	165
Total current assets		4,390	2,267
Non-current assets			
Security deposits	9	-	819
Exploration and evaluation assets	13	10,829	10,783
Development properties	14	1,250	1,600
Property, plant and equipment	15	882	978
Total non-current assets		12,961	14,180
Total assets		17,351	16,447
LIABILITIES			
Current liabilities			
Trade and other payables	16	5,457	5,465
Interest-bearing loans and borrowings	17	9,800	9,098
Provisions	18	1,138	2,021
Total current liabilities		16,395	16,584
Non-current liabilities			
Provisions	18	34	48
Total non-current liabilities		34	48
Total liabilities		16,429	16,632
Net assets/(liabilities)		922	(185)
Equity			
Contributed equity	19	292,710	288,722
Equity reserve	20	457	457
Retained losses	20	(292,245)	(289,364)
Total equity		922	(185)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
Cash flows from operating activities			
Receipts from customers		650	2,093
Payments to suppliers and employees		(3,185)	(6,440)
Interest received		11	20
GST refunded/(paid)		136	(53)
Net cash flows used in operating activities	21	(2,388)	(4,380)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(1)
Release from security deposit		979	59
Proceeds from sale of property, plant and equipment		9	1,869
Proceeds from joint venture capital return		-	274
Net cash flows from investing activities		988	2,201
Cash flows from financing activities			
Proceeds from borrowings		-	1,500
Proceeds from issue of shares		4,000	-
Transaction costs on issue of shares		(12)	-
Net cash flows from financing activities		3,988	1,500
Net increase/(decrease) in cash and cash equivalents		2,588	(679)
Cash and cash equivalents at beginning of period		1,366	2,045
Cash and cash equivalents at end of period	8	3,954	1,366

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital Ordinary \$000	Accumulated Losses \$000	Equity Reserve \$000	Total \$000
Balance at 1 July 2017	288,722	(289,364)	457	(185)
Comprehensive loss for the year	-	(2,881)	-	(2,881)
Total comprehensive loss for the year	-	(2,881)	-	(2,881)
Transactions with owners in their capacity as owners				
Share Issue	4,000	-	-	4,000
Capital raising costs	(12)	-	-	(12)
Balance at 30 June 2018	292,710	(292,245)	457	922
Balance at 1 July 2016	288,722	(286,133)	457	3,046
Comprehensive loss for the year	-	(3,231)	-	(3,231)
Total comprehensive loss for the year	-	(3,231)	-	(3,231)
Transactions with owners in their capacity as owners				
Capital raising costs	-	-	-	-
Capital raising costs reclassified to expenses	-	-	-	-
Balance at 30 June 2017	288,722	(289,364)	457	(185)

The accompanying notes form part of these financial statements.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SEGMENT INFORMATION

VDM is arranged under three operating divisions: i) construction, ii) trading, and iii) mining. Refer to the "Operating and Financial Review" in the Directors' Report for an overview of the three operating divisions. Each division was a reportable segment in the current reporting period. The accounting policies adopted for the reportable segment are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2017.

The following table presents the revenue, profit and selected balance sheet information for the Group's reportable segments for the year ended 30 June 2018.

2018	Construction	Trading	Mining	Unallocated	Total
	\$000	\$000	\$000	\$000	\$000
Revenue					
External revenue	446	-	-	117	563
Total segment revenue	446	-	-	117	563
Results					
Segment results before tax	(364)	-	(267)	(2,250)	(2,881)
Finance costs	-	-	-	544	544
Depreciation & amortisation	-	-	-	96	96
Impairment	-	-	-	350	350
Reconciliation of segment results before tax to net loss after tax					
Segment results before tax					(2,881)
Net loss after tax from continuing operations per the statement of comprehensive income					(2,881)
Total assets	54	-	10,829	6,468	17,351
Total liabilities	922	-	4,823	10,684	16,429
Exploration and evaluation asset additions	-	-	46	-	46

Major Customers

During 2018, VDM had one customer that contributed greater than 10% of revenue. This customer contributed a total of 75% of VDM revenue which was from the Construction segment (2017: one customer contributed greater than 10% of revenue. This customer contributed a total of 87% of VDM revenue which was from the Construction segment).

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2017	Construction	Trading	Mining	Unallocated	Total
	\$000	\$000	\$000	\$000	\$000
Revenue					
External revenue	1,266	8	-	156	1,430
Total segment revenue	1,266	8	-	156	1,430
Results					
Segment results before tax	(217)	(81)	(324)	(3,268)	(3,890)
Finance Costs	2	-	-	472	474
Depreciation & amortisation	-	-	-	176	176
Impairment	-	-	-	412	412
Reconciliation of segment results before tax to net loss after tax					
Segment results before tax					(3,890)
Net loss after tax from continuing operations per the statement of comprehensive income					(3,890)
Total assets	492	-	10,783	5,172	16,447
Total liabilities	1,630	1	4,875	10,126	16,632
Other disclosures					
Exploration and evaluation asset additions	-	-	2,508	-	2,508
Property plant and equipment additions	-	-	-	1	1

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
2. REVENUE		
Sales revenue		
Revenue from operating activities	355	1,274
Total sales revenue	355	1,274
Other revenue		
Interest	11	20
Net rental income	8	10
Other	189	126
Total other revenue	208	156
Total revenue	563	1,430

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
3. EXPENSES		
a) Employee benefits expense		
Wages and salaries	911	1,785
Restructuring/redundancy costs	-	32
Superannuation expense	78	129
Other employee benefits expense	6	24
Total employee benefits expense	995	1,970
b) Depreciation and amortisation		
Depreciation	96	176
Total depreciation and amortisation	96	176
c) Impairment charges		
Impairment of development properties (note 14)	350	412
Total impairment charges	350	412
d) Finance costs		
Bank fees and other finance charges	11	22
Interest	533	452
Total finance costs	544	474
e) Other expenses		
Insurances	144	223
Telecommunications	15	34
Computer costs	39	67
Other	499	22
Total other expenses	697	346

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

4. DISCONTINUED OPERATIONS

On 28 July 2016, VDM announced the closure of its Equipment division. A strategic review of the equipment hire and sales business concluded it needed to be significantly scaled up in size in order to reach a sustainable positive cash flow. Foreseeable overcapacity in most areas of the Australian equipment market meant that expansion of the division would be a high-risk investment and the prudent decision for VDM shareholders was to close the equipment business. As at 30 June 2017 all of the Equipment Division's assets were sold and liabilities settled.

There were no discontinued operations of VDM in the accounts as at 30 June 2018.

	2018	2017
	\$000	\$000
<i>Financial performance of discontinued operations</i>		
Revenue	-	21
Expenses	-	(209)
Operating loss	-	(188)
Finance costs	-	-
Profit on sale of assets	-	1,256
Share of loss from joint venture	-	(409)
Loss on remeasurement to fair value less costs to distribute	-	-
Profit from discontinued operations before income tax	-	659
Income tax expense	-	-
Profit from discontinued operations after income tax	-	659
<i>Assets and liabilities of the discontinued operations</i>		
Total Assets	-	2,387
Total Liabilities	-	-
Net assets attributable to discontinued operations	-	2,387
<i>Net cash flows attributable to discontinued operations</i>		
Operating	-	168
Investing	-	1,869
Financing	-	-
Net cash (outflow) / inflow	-	2,037

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
5. INCOME TAX		
a) The components of tax expense comprise:		
<i>Current income tax:</i>		
Income tax expense on adjustments in respect of current income tax of previous years	-	-
<i>Deferred income tax:</i>		
Relating to origination & reversal of temporary differences	-	-
Prior year tax losses no longer recognised	-	-
Adjustments in respect of deferred income tax of previous years	-	-
Income tax expense reported in the statement of comprehensive income	-	-
b) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(2,881)	(3,231)
Total accounting loss before tax	(2,881)	(3,231)
Prima facie income tax expense @ 27.5%	(792)	(889)
Prior year tax over provision	-	-
Tax adjustment for non-deductible expenses	96	202
Temporary differences and unrecognised tax losses	696	687
Aggregate income tax expense	-	-
Income tax expense reported in the consolidated income statement	-	-
Aggregate income tax expense	-	-

Current period income tax amounts were calculated based on a reduced corporate income tax rate of 27.5% (2017: 27.5%).

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

c) Recognised deferred tax asset and liabilities	Statement of financial position		Statement of comprehensive income	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Deferred tax liabilities				
Other	(21)	(21)	-	21
Gross deferred tax liabilities	(21)	(21)	-	21
Deferred tax assets				
Provision for employee entitlements	34	41	7	21
Provisions – other	277	505	228	215
Trade and other receivables	402	351	(51)	133
Trade and other payables	110	135	25	7
Contributed equity	32	158	126	129
Deferred tax assets not recognised	(834)	(1,169)	(335)	(526)
Gross deferred tax assets	21	21	-	(21)
Deferred tax expense			-	-
Net deferred tax asset recognised in the balance sheet	-	-		

d) Tax losses

VDM Group has recognised a deferred tax asset of \$nil (2017: \$nil) for Australian income tax purposes on the basis that it is not 'probable' that the carried forward revenue loss will be utilised against future assessable taxable profits.

VDM has estimated tax losses of \$128,755,000 (2017: \$125,467,000). Utilisation of the carried forward tax losses by the company is subject to satisfaction of the Continuity of Ownership Test ("COT") or, failing that, the Same Business Test ("SBT"). It is likely that VDM has failed COT during the 2015 financial year, therefore in order to be able to utilise the pre-2016 losses in the future, VDM may be required to satisfy the SBT. Where VDM derives assessable income in a future income year, an assessment of whether the same business has been carried on between just before the COT failure and the intervening period will determine whether the losses are available for utilisation.

e) Unrecognised temporary differences

At 30 June 2018, there were no unrecognised temporary differences associated with VDM's investments in subsidiaries, or joint ventures, as VDM has no liability for additional taxation should unremitted earnings be remitted (2017: nil).

f) Tax consolidation

Members of the tax consolidation group and the tax sharing arrangement

VDM Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. VDM Group Limited is the head entity of the tax-consolidated group. Members of Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
6. LOSS PER SHARE		
a) Loss used in calculating loss per share		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(2,881)	(3,890)
Net loss attributable to ordinary equity holders of the parent for basic earnings	(2,881)	(3,231)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	5,589,441,774	5,477,660,952
7. DIVIDENDS PROPOSED AND PAID		
a) Declared and paid during the year		
<i>Dividends on ordinary shares:</i>		
Final dividend for 2018: nil cents per share (2017: nil cents per share)	-	-
Interim dividend for 2018: nil cents per share (2017: nil cents per share)	-	-
Dividends paid during the year	-	-
b) Dividend proposed, not recognised as a liability		
Final dividend for 2018: nil cents per share (2017: nil cents per share)	-	-
c) Franking credits:		
<i>Franking credits available for the subsequent financial year:</i>		
Franking account balance as at the end of the financial year at 27.5% (2017: 27.5%)	3,459	3,459
Franking debits that will arise from the refunds of income tax receivable as at the end of the financial year	-	-
Franking credits available for future periods	3,459	3,459

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	3,954	1,366
Cash and cash equivalents	3,954	1,366
<i>Reconciliation to cash flow statement</i>		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	3,954	1,366
Cash for reconciliation of cash flow statement	3,954	1,366

Cash at bank earns interest at floating rates or term deposit rates.

9. SECURITY DEPOSITS		
Security Deposits	38	1,017
Current	38	198
Non-current	-	819
Total security deposits	38	1,017

Security deposits are comprised of cash pledged as collateral for bank guarantees issued by the Group. The security deposits are not available for immediate use.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
10. TRADE AND OTHER RECEIVABLES		
Trade receivables	1,336	1,395
Other debtors	449	345
Retentions	76	76
Loans to related parties	-	-
Impairment of trade and other receivables	(1,463)	(1,278)
Total trade and other receivables	398	538
a) Ageing of trade receivables		
0 - 30 days	-	86
31 - 60 days	4	-
> 60 days PDNI*	30	31
> 60 days IM**	1,302	1,278
Total trade receivables	1,336	1,395
b) Allowance for impairment loss		
Balance at 1 July 2017	1,278	1,615
Charge for the year	195	(10)
Utilised	(10)	(327)
Balance at 30 June 2018	1,463	1,278

* PDNI – past due not impaired

** IM - impaired

Trade receivables are non-interest bearing and are generally on 30-60 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

c) Fair value and credit risk

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

The maximum exposure to credit risk is the fair value of receivables.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
11. INVENTORY		
Consumables at cost	-	165
Total inventory	-	165
12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Current assets	-	285
Non-current assets	-	-
Current liabilities	-	285
Non-current liabilities	-	-
Equity	-	-
Group's carrying amount of the investment	-	682
a) Reconciliation of carrying amounts		
Balance at 1 July	-	682
Investment in share capital of Sany VDM Pty Ltd	-	-
Capital returned	-	(273)
Share of equity accounted loss for the year	-	(409)
Balance at 30 June	-	-
b) Share of equity accounted loss		
Revenue	-	37
Cost of sales	-	(23)
Administrative expenses	-	(854)
Finance costs	-	6
Loss before tax	-	(834)
Income tax expense	-	-
Loss for the year	-	(834)
Total comprehensive loss for the year	-	(834)
Group's share of loss for the year	-	(409)

At 30 June 2018, VDM holds no interest in Sany VDM Pty Ltd an Australian company previously jointly-owned by VDM and Sany. During the 2017 period, \$273,000 of capital in Sany VDM Pty Ltd was returned to the Group.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
13. EXPLORATION AND EVALUATION ASSETS		
Balance as at 1 July	10,783	8,275
Additions	46	2,508
Balance as at 30 June	10,829	10,783

There has been \$46,000 of additions in the period for exploration and evaluation (30 June 2017: \$2,508,000).

Ultimate recoupment of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

14. DEVELOPMENT PROPERTIES

Development properties	1,250	1,600
Total development properties	1,250	1,600
Reconciliation of carrying amounts		
Balance at 1 July	1,600	2,012
Additions	-	-
Disposals	-	-
Impairment of development properties	(350)	(412)
Balance at 30 June	1,250	1,600

Impairment Assessment

Management engaged the services of an independent property valuer who performed a net realisable value assessment which resulted in recognition of a \$350,000 impairment to development properties (2017: \$412,000).

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$000	\$000
15. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements at cost	14	660
Accumulated depreciation	(6)	(568)
Total leasehold improvements	8	92
Freehold land and buildings at cost	887	887
Accumulated depreciation	(33)	(25)
Total freehold land and buildings	854	862
Plant & equipment at cost	68	983
Accumulated depreciation	(48)	(959)
Total plant & equipment	20	24
Total property, plant and equipment	882	978
Reconciliation of carrying amounts		
<i>Leasehold Improvements</i>		
Balance at 1 July net of accumulated depreciation	92	265
Additions	-	1
Disposals	-	(9)
Depreciation	(84)	(165)
Balance at 30 June	8	92
<i>Freehold land and buildings</i>		
Balance at 1 July net of accumulated depreciation	862	870
Depreciation	(8)	(8)
Balance at 30 June	854	862
<i>Plant and equipment</i>		
Balance at 1 July net of accumulated depreciation	24	587
Disposals	-	(547)
Depreciation	(4)	(16)
Balance at 30 June	20	24
Total property, plant and equipment	882	978

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	2018	2017
	\$000	\$000
16. TRADE AND OTHER PAYABLES		
Trade payables and accruals	755	732
Employee related payables	2	20
GST payable	11	18
Other payables	4,689	4,695
Total trade and other payables	5,457	5,465

Other payables includes \$4,875,000 of purchase consideration due to a Cachoeiras do Binga joint venture partner (30 June 2017: \$4,875,000). Under the terms of the cash consideration agreement VDM shall pay the full remaining balance of \$4,875,000 to the Cachoeiras do Binga joint venture partner within 21 days of completion of VDM's next significant capital raising or when VDM's financial status has a significant improvement.

a) Fair values

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

b) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is disclosed in note 23.

c) Entities subject to class order relief

VDM Group Limited provides financial guarantees to its subsidiaries by way of a Deed of Cross Guarantee (refer to note 24(b)).

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018	2017
	\$000	\$000
17. INTEREST BEARING LOANS AND OTHER BORROWINGS		
Shareholder loan (AUD denominated)	5,096	4,826
Shareholder loan (USD denominated)	4,704	4,272
Total interest bearing loans and other borrowings	9,800	9,098

a) Fair values

The carrying amount of current interest-bearing loans approximates their fair value.

b) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is disclosed in note 23.

c) Financing facilities

Credit cards	20	40
Bank guarantees	18	977
Balance at 30 June 2018	38	1,017

The bank guarantee facility limit is equal the amount of bank guarantees issued and outstanding in favour of VDM. The credit card facility is available subject to annual review.

d) Shareholder loans

During the period VDM's largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"), had no advances to VDM under the terms of a Framework Loan Agreement ("FLA") (2017: AUD \$1,500,000 and USD \$2,134,000). The FLA contemplates the parties entering into a secured one-year 6% per annum loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances, plus accrued interest of 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. An interest rate of 20% per annum applies if VDM defaults on the loan.

The 30 June 2018 shareholder loan balances include \$533,000 of interest accrued in the year (2017: \$452,000 of accrued interest) and \$169,000 of unrealised foreign exchange losses recorded in the year (2017: \$71,000 of unrealised foreign exchange gains).

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	2018	2017
	\$000	\$000
18. PROVISIONS		
Current		
Employee entitlements	88	125
Construction warranties	509	605
Onerous contracts	2	885
Other construction contract obligations	217	222
Other provisions	322	184
Total current provisions	1,138	2,021
Non-Current		
Employee entitlements	34	24
Onerous contracts	-	-
Other provisions	-	24
Total non-current provisions	34	48
Total provisions	1,172	2,069

a) Movement in provisions

	Balance 1 Jul 2017 \$000	Arising during the year \$000	Utilised during the year \$000	Unused amounts reversed \$000	Balance 30 Jun 2018 \$000
Employee entitlements	149	64	(91)	-	122
Construction warranties	605	-	(41)	(55)	509
Onerous contracts	885	-	(786)	(97)	2
Other construction contract obligations	222	17	(6)	(16)	217
Other provisions	208	205	(14)	(77)	322
Total provisions	2,069	286	(938)	(245)	1,172

b) Nature and timing of provisions

Construction warranties are estimated costs for warranty claims on completed construction projects based on past experience. It is estimated that these costs will be incurred in the next financial year.

Onerous contracts are estimated net unavoidable costs of meeting obligations under onerous contracts.

Other construction contract obligations are estimated costs, other than warranty claims, related to construction contracts.

Other provisions are mainly comprised of remaining deductibles under insurance claims. The insurance deductible portion is estimated to be incurred in the next financial year.

Provisions estimated to be settled after the end of the next financial year are classified as non-current. Provisions estimated to be settled in the next financial year are classified as current.

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	2018	2017
	\$000	\$000
19. CONTRIBUTED EQUITY		
a) Ordinary shares		
Issued and fully paid	292,710	288,722
	Number of Shares	\$000
Balance at 1 July 2016	5,477,660,952	288,722
Share issues	-	-
Balance at 1 July 2017	5,477,660,952	288,722
Share Issues	400,000,000	4,000
Capital raising costs	-	(12)
Balance at 30 June 2018	5,877,660,952	292,710

b) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Capital Management

When managing capital, the Board's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

In the short to medium term the Company is focussed on maintaining an appropriate level of working capital. Until achievement of profitable operations and positive cash flow, the Directors do not anticipate paying dividends.

The level of dividends paid by the Company in the future will depend upon the availability of distributable earnings, the Company's franking credit position, operating results, available cash flow, financial condition, taxation position, future capital requirements, as well as general business and financial conditions and any other factors the Directors may consider relevant.

VDM is not subject to any externally imposed capital requirements.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018	2017
	\$000	\$000
20. ACCUMULATED LOSSES AND RESERVES		
a) Movement in accumulated losses		
Balance at 1 July	(289,364)	(286,133)
Net loss attributable to members of VDM Group Limited	(2,881)	(3,231)
Balance at 30 June	(292,245)	(289,364)
b) Movement in equity reserve		
Balance at 1 July	457	457
Balance at 30 June	457	457

Equity reserve

The equity reserve is used to record differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that did not result in a loss of control. The reserve is attributable to the equity of the parent.

21. CASHFLOW STATEMENT INFORMATION

Reconciliation of net profit after tax to the net cash flows from operations

Net loss after tax	(2,881)	(3,231)
<i>Non-cash items:</i>		
Depreciation and amortisation	96	189
Impairment of assets	350	412
Profit on disposal of property, plant and equipment	(9)	(1,256)
Share of equity accounted loss	-	409
<i>Change in operating assets and liabilities:</i>		
Increase in trade and other receivables	140	(324)
Increase in inventory	164	(109)
Increase in trade and other creditors	406	90
Decrease in provisions	(654)	(560)
Net cash flows used in operating activities	(2,388)	(4,380)

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22. RELATED PARTY DISCLOSURE

Note 27 provides the information about VDM's structure including details of the subsidiaries and the parent company.

a) Ultimate parent

VDM Group Limited is the ultimate Australian parent entity.

b) Due from associates

At 30 June 2018, the amount due from associates is Nil (2017: Nil)

c) Transactions with key management personnel

Luk Hiuming

As at 30 June 2018, VDM owed \$143,000 to Mr Luk which related to directors' fees that have not been paid on his instruction. No interest accrues and the outstanding amount is due when demanded by Mr Luk.

Kengkong

On 27 January 2016, VDM entered into a Framework Loan Agreement ("FLA") with its largest shareholder, Australia Kengkong Investments Co Pty Ltd ("Kengkong"). The FLA contemplates the parties entering into a secured one-year 6% loan facility that will incorporate the FLA liabilities. Until that occurs, the FLA advances plus interest accrued at 6% per annum are immediately repayable in the denominated currency when demanded by Kengkong. VDM's Non-executive Chairman Mr Luk controls Kengkong.

H&H

As at 30 June 2018, VDM owed H&H Holdings Australia Pty Ltd ("H&H") \$75,000 of underwriting commissions for the Company's December 2013 Rights Issue (2017: \$75,000) No interest accrues and the outstanding amount is due when demanded by H&H. Dr Hua, VDM's Executive Director of Mining controls H&H.

d) Transactions with related parties other than key management personnel

There were no transactions entered into with related parties other than key management personnel during the years ended 30 June 2018, and 30 June 2017, except for those noted above.

	2018	2017
	\$000	\$000
e) Compensation for key management personnel		
Short term	509	1,019
Long term	3	6
Post employment	40	74
Total compensation	552	1,099

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23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a) Financial assets		
Cash and cash equivalents (note 8)	3,954	1,366
Security deposits (note 9)	38	1,017
Trade and other receivables (note 10)	398	538
Total Financial Assets	4,390	2,921
b) Financial liabilities		
Current interest-bearing loans and borrowings		
6% secured interest-bearing loan from Kengkong (note 17)	9,800	9,098
Total current interest-bearing loans and borrowings	9,800	9,098
c) Other financial liabilities		
Other financial liabilities, other than interest-bearing loans and borrowings		
Trade and other payables (note 16)	5,457	5,465
Total other financial liabilities	5,457	5,465

d) Financial instruments risk management objectives and policies

The Group's principal financial liabilities, comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and security deposits that derive directly from its operations.

Credit, liquidity and market risk (including interest rate and foreign exchange risk) arise in the normal course of VDM's business. VDM manages its exposure to these key financial risks in accordance with VDM's financial risk management policy. The objective of the policy is to support the delivery of VDM's financial targets whilst protecting future financial security. VDM's principal financial instruments comprise receivables, payables, loans, hire purchase liabilities, cash and security deposits.

VDM uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Market risk

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates that will increase the cost of floating rate debt or opportunity losses that may arise on fixed rate borrowings in a falling interest rate environment. Interest rate risk on cash and security deposits is not a material risk due to the short-term nature of these financial instruments.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Credit risk

Credit risk arises from the financial assets of VDM, which comprises cash and cash equivalents and trade and other receivables. VDM's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

VDM manages its credit risk by trading only with recognised, creditworthy third parties, and as such collateral is not requested nor is it VDM's policy to securitise its trade and other receivables. Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Receivables balances are monitored on an ongoing basis. VDM has a concentration trade receivables credit risk with its major customer (refer to "major customers" in note 1). Financial instruments are held amongst reputable financial institutions thus minimising the risk of default of these counterparties.

The maximum exposure to credit risk at the reporting date was as follows:

	2018	2017
	\$000	\$000
Cash and cash equivalents (note 8)	3,954	1,366
Security deposits (note 9)	38	1,017
Trade and other receivables (note 10)	398	538
	4,390	2,921

The financial instruments exposed to variable interest rate risk are as follows:

Financial assets		
Cash and cash equivalents (note 8)	3,954	1,366
Security deposits (note 9)	38	1,017
Balance at the end of the year	3,992	2,383

The following table summarises the sensitivity on the interest rate exposures (excluding opportunity cost of fixed rate borrowings) in existence at the balance sheet date. The sensitivity is based on foreseeable changes over a financial year.

Post-tax gain / (loss)		
+ 1% (100 basis points)	31	20
- 1% (100 basis points)	(31)	(20)

The movement in profit is due to lower/higher interest income from variable rate cash balances. Other than retained earnings, there is no impact on equity in the consolidated entity.

Foreign currency risk

Foreign currency risk arises from transactions, assets and liabilities that are denominated in a currency that is not the functional currency of the transacting entity. Measuring the exposure to foreign currency risk is achieved by regularly monitoring and performing sensitivity analysis on VDM's financial position. Currently there is no foreign exchange hedge programme in place.

VDM GROUP LIMITED
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23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The financial instruments exposed to US dollar foreign exchange rate risk are as follows:

Financial assets		
Cash and cash equivalents	132	131
Balance at the end of the year	132	131
Financial liabilities		
Interest bearing loans and other borrowings (note 17)	4,704	4,272

The following table summarises the sensitivity on US dollar foreign exchange rate exposures, in existence at the balance sheet date. The sensitivity is based on foreseeable changes over a financial year.

Post-tax gain / (loss)		
+ 10% (100 basis points)	(320)	(290)
- 10% (100 basis points)	320	290

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting its commitments concerning its financial liabilities. As a result, the liquidity position of VDM Group is managed to ensure sufficient liquid funds are available to meet our financial commitments in a timely and cost-effective manner.

VDM continually monitors its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The objective of VDM is to have sufficient cash and finance facilities to meet short term commitments, and to fund capital and exploration expenditures through operating cash flow and equity capital raisings.

The table below reflects all contractually fixed payments for settlement, repayments and interest resulting from recognised financial assets and liabilities and does not recognise any cash for unresolved claims against projects which have not been recognised as income. The table also excludes contractual commitments classified as operating leases (refer to note 25). The obligations presented are the undiscounted cash flows for the respective upcoming fiscal years. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2018.

	2018	2017
	\$000	\$000
Repayment obligations in respect of loans, hire purchase facilities and trade and other payables are as follows:		
Not later than one year	15,211	14,563
Later than one year but not later than two years	-	-
Later than two years but not later than three years	-	-
Later than three years	-	-
	15,211	14,563

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23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table reflects a maturity analysis of financial assets and liabilities based on management's expectation of settlement.

	Total \$000	0-60 Days \$000	61 Days - 1 Year \$000	1- 5 Years \$000	>5 Years \$000
Year ended 30 June 2018					
<i>Financial Assets</i>					
Cash and cash equivalents (note 8)	3,954	3,954	-	-	-
Security deposits (note 9)	38	20	18	-	-
Trade and other receivables (note 10)	398	3	395	-	-
Total financial assets	4,390	3,977	413	-	-
<i>Financial liabilities</i>					
Trade and other payables (note 16)	5,457	768	4,689	-	-
Interest bearing loans and other borrowings (note 17)	9,800	-	9,800	-	-
Total financial liabilities	15,211	768	14,489	-	-
Net maturity	(10,867)	3,209	(14,076)	-	-
Year ended 30 June 2017					
<i>Financial Assets</i>					
Cash and cash equivalents (note 8)	1,366	1,366	-	-	-
Security deposits (note 9)	1,017	-	198	819	-
Trade and other receivables (note 10)	538	117	421	-	-
Total financial assets	2,921	1,483	619	819	-
<i>Financial liabilities</i>					
Trade and other payables (note 16)	5,465	770	4,695	-	-
Interest bearing loans and other borrowings (note 17)	9,098	-	9,098	-	-
Total financial liabilities	14,563	770	13,793	-	-
Net maturity	(11,642)	713	(13,174)	819	-

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PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

e) Fair value

At 30 June 2018 there are no financial assets or financial liabilities which are accounted for at fair value. Carrying amounts approximate the fair value of financial assets and financial liabilities presented in the Consolidated Statement of Financial Position.

f) Changes in liabilities arising from financial activities

	1 Jul 2017	Cash flows	Foreign exchange movement	Other	30 Jun 2018
	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2018					
Current interest-bearing loans and borrowings	9,098	-	169	533	9,800
Total liabilities from financing activities	9,098	-	169	533	9,800

	1 Jul 2016	Cash flows	Foreign exchange movement	Other	30 Jun 2017
	\$000	\$000	\$000	\$000	\$000
Year ended 30 June 2017					
Current interest-bearing loans and borrowings	4,421	4,299	(74)	452	9,098
Total liabilities from financing activities	4,421	4,299	(74)	452	9,098

The 'Other' column includes the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018	2017
	\$000	\$000
24. PARENT ENTITY INFORMATION		
Current assets	4,334	1,772
Total assets	16,045	14,352
Current liabilities	14,883	14,488
Total liabilities	14,917	14,536
Issued capital	292,949	288,722
Accumulated loss	(292,278)	(289,364)
Option reserve	457	457
Total shareholders' equity	1,128	(185)
Loss of parent entity	(2,881)	(3,231)
Total comprehensive loss of the parent entity	(2,881)	(3,231)

a) Bank guarantees

As at 30 June 2018, VDM Group Limited had \$18,000 of bank guarantees on issue as security for leased properties (2017: \$403,000).

As at 30 June 2018, VDM Group Limited was exposed contingent liabilities of AOA 53,313,000 related to bank guarantees provided to the Angolan government for contractual obligations under the Cachoeiras do Binga Mining Investment Contract. AOA is the currency of the Republic of Angola and the 30 June 2018 contingent amount translates to AUD \$291,000 (2017: AUD \$418,000).

b) Guarantees in relation to debts of subsidiaries

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 VDM Group Limited and the Closed Group entered into a Deed of Cross Guarantee on 1 February 2010. The effect of the deed is that VDM Group Limited has guaranteed to pay any deficiency in the event of winding up of controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

c) Property, plant and equipment commitments

VDM Group Limited had no capital commitments at 30 June 2018 (2017: nil).

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018	2017
	\$000	\$000
25. COMMITMENTS		
a) Operating leases		
Within one year	13	810
One year or later but no later than 5 years	-	277
After more than 5 years	-	-
Total minimum lease payments	13	1,087

b) Property, plant and equipment commitments

VDM has no capital expenditure commitments at 30 June 2018 (2017: nil).

c) Legal claims

The following matters could lead to VDM incurring material losses if the claimants are successful with their claims:

Construction claim

VDM and a customer have offsetting claims relating to a terminated construction project in Western Australia in 2013 and neither party has taken legal action to enforce their claims. The amount and expected timing of the claims is not disclosed as this could prejudice VDM in the dispute.

Mechanical services consulting claim

During the period, VDM received notification of a claim related to consulting work on the installation of mechanical services for two commercial buildings located in Western Australia during 2008 and 2009. As a result, VDM has provided an amount equal to its maximum exposure of \$250,000 relating to this matter under its insurance policy less legal costs to date of \$45,000.

d) Bank guarantees

As at 30 June 2018, VDM had \$18,000 of bank guarantees on issue as security for leased commercial property and to guarantee performance of contracts (2017: \$977,000).

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PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	2018	2017
	\$	\$
26. AUDITOR'S REMUNERATION		
<i>Amount received or receivable by Ernst & Young for:</i>		
Auditing financial statements	67,783	62,744
Non-audit fees (tax compliance & other advisory)	-	-
Total auditor's remuneration	67,783	62,744

27. CLOSED GROUP CLASS ORDER DISCLOSURES

The consolidated financial statements include the financial statements of VDM Group Limited and the subsidiaries listed in the following table.

Subsidiary Name	Country of Incorporation	% equity interest	
		2018	2017
* VDM Trading Pty Ltd	Australia	100%	100%
* VDM Mining Pty Ltd	Australia	100%	100%
* VDM Equipment Pty Ltd	Australia	100%	100%
* VDM Construction Pty Ltd	Australia	100%	100%
* Keytown Constructions Pty Ltd	Australia	100%	100%
* VDM Developments Pty Ltd	Australia	100%	100%
* VDM Engineering (Eastern Operations) Pty Ltd	Australia	100%	100%
* Burchill VDM Pty Ltd	Australia	100%	100%
* VDM Group Limited International (Dubai Branch) Pty Ltd	Australia	100%	100%
* BCA Consultants Pty Ltd	Australia	100%	100%
VDM Africa Holdings Ltd	British Virgin Islands	100%	100%
The EB Trust	Australia	100%	100%

a) Entities subject to class order relief

* the annotated companies and VDM Group Limited entered into a Deed of Cross Guarantee on 1 February 2010 (the "Closed Group"). The effect of the deed is that VDM Group Limited has guaranteed to pay any deficiency in the event of winding up of controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that VDM Group Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. CLOSED GROUP CLASS ORDER DISCLOSURES (CONTINUED)

The consolidated statement of comprehensive income and statement of financial position of the entities that are members of the Closed Group are as follows:

b) Statement of comprehensive income

	Closed Group	
	2018	2017
	\$000	\$000
Loss from continuing operations before income tax	(2,532)	(3,477)
Income tax expense	-	-
Loss from continuing operations after income tax	(2,532)	(3,477)
Profit from discontinued operations after income tax	-	659
Loss for the year	(2,532)	(2,818)
Non-controlling interest	-	-
Dividends paid	-	-
Accumulated losses at the beginning of the year	(285,845)	(283,027)
Accumulated losses at the end of the year	(288,377)	(285,845)

VDM GROUP LIMITED
PRELIMINARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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27. CLOSED GROUP CLASS ORDER DISCLOSURES (CONTINUED)

c) Statement of financial position

	Closed Group	
	2018	2017
	\$000	\$000
ASSETS		
Current Assets		
Cash and cash equivalents	3,952	1,363
Security deposits	38	198
Trade and other receivables	5,519	5,659
Inventory	-	165
Total Current Assets	9,509	7,385
Non-Current Assets		
Security deposits	-	819
Exploration and evaluation assets	10,829	10,783
Property, plant and equipment	882	978
Total Non-Current Assets	11,711	12,580
Total Assets	21,220	19,965
Liabilities		
Current Liabilities		
Trade and other payables	5,458	5,464
Interest-bearing loans and borrowings	9,800	9,098
Provisions	1,138	2,021
Total Current Liabilities	16,396	16,583
Non-Current Liabilities		
Provisions	34	48
Total Non-Current Liabilities	34	48
Total Liabilities	16,430	16,631
Net Assets	4,790	3,334
Equity		
Contributed equity	292,710	288,722
Equity reserve	457	457
Retained losses	(288,377)	(285,845)
Total Equity	4,790	3,334

28. AUDIT

This preliminary financial report is based on financial statements that are in the process of being audited. It is expected that the Independent Auditor will provide an unqualified opinion with an emphasis of matter to draw attention to the Company's going concern note disclosure.