WestStar Industrial

ABN 38 119 047 693

ANNUAL REPORT

30 June 2018

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CORPORATE DIRECTORY

Directors
Mr Lay Ann Ong (Non-Executive Director)
Mr Philip Re (Non-Executive Director)
Mr Umberto Mondello (Non-Executive Director)

Company Secretary
Mr Derek Hall

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Stock Exchange
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)

ASX Code
WSI

CORPORATE GOVERNANCE STATEMENT

1. OUR APPROACH TO CORPORATE GOVERNANCE

(A) FRAMEWORK AND APPROACH TO CORPORATE GOVERNANCE AND RESPONSIBILITY

The Directors of WestStar Industrial Limited ("WestStar"or "the Company") is committed to maintaining the highest standards of corporate governance.

Corporate governance is about having a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

The Board is guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements.

(B) COMPLIANCE WITH THE ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX Listing Rules require listed companies to include in their Annual Report a statement disclosing the extent to which they have followed the ASX Corporate Governance Principles and Recommendations in the reporting period.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant disclosures can be found.

The Company's corporate governance policies and charters are available at the Company's website www.wsindustrial.com.au.

Listed companies must identify the recommendations that have not been followed and provide reasons for the company's decision.

This Governance Statement describes WestStar's governance practices and notes where they do not comply with the ASX Corporate Governance Principles and Recommendations.

2. DATE OF THIS STATEMENT

This statement reflects WestStar's corporate governance policies and procedures as at 30 September 2018.

DIRECTORS' REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Lay Ann Ong (appointed 10 September 2015)
Non-Executive Director

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 17 years. Mr Ong founded West Star Group in 2000 in Singapore. The West Star family office has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South East Asia and Australia. Mr Ong has held Chairman, CEO and director positions within the West Star Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the SGX. Mr Ong holds a degree in Law from University of Manchester and a Master in Business Administration from Manchester Business School. Mr Ong has not been a director of any listed companies in the last three years.

Special responsibilities: Nil
Other current directorships of Listed companies: Nil
Former directorships of Listed Companies in the last 3 years: Nil

Mr Philip Re (appointed 28 March 2017)
Non-Executive Director

Mr Philip Re has been a Director for a number of publicly listed and unlisted companies involving transactions in property development and investment, technology, education, mining exploration and production, and the renewable energy industry. He has been directly involved in Raising Capital, Merger & Acquisitions, Initial Public Offers and Reverse Takeovers for various ASX listed companies and unlisted property syndicates over many years. Mr Re is the Managing director of Regency Corporate Pty Ltd where he provides corporate advisory services.

Special responsibilities: Nil
Other current directorships of Listed companies: Emerge Gaming Limited, The Agency Group Australia Limited
Former directorships of Listed Companies in the last 3 years: iCollege Limited

Mr Umberto (Bert) Mondello (appointed 28 March 2017)
Non-Executive Director

Mr Bert Mondello has more than 20 years' experience across both the private and public sectors. An as Executive, Mr Mondello has substantial capital markets experience and knowledge of equity markets having participated in company restructures, IPOs, RTOs, investor placements and seed raisings. With experience spanning the retail and institutional sectors and extensive knowledge of marketing communications and investor relations, Mr Mondello has provided strategic corporate advice to a number of organisations across multiple industries. Across his career, including as CEO of ZipTel Limited (ASX: ZIP), Mr Mondello has been pivotal in challenging the status quo with innovation in new technologies across a myriad of products and offerings. Mr Mondello is currently a Non-Executive Director of ZipTel and holds a Bachelor of Laws from The University of Notre Dame, Australia.

Special responsibilities: Nil
Other current directorships of Listed companies: ZipTel Limited, Emerge Gaming Limited, ServTech Global Holdings Limited
Former directorships of Listed Companies in the last 3 years: Nil

COMPANY SECRETARY

Mr Derek Hall (appointed 4 July 2017)
Mr Hall is a Chartered Accountant, Fellow of the Financial Services Institute and Member of the Institute of Chartered Secretaries and Administrators.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of WestStar Industrial Limited are:

Director	Ordinary Shares	Ordinary shares (24 month escrow)	Performance Shares[1]	Unlisted Options[2]	Convertible Notes[3]
Mr Lay Ann Ong	10,171,429	64,172,257	60,000,000	15,000,000	20,000,000
Mr Philip Re	802,676	-	-	-	-
Mr Bert Mondello	-	-	-	-	-

1. Performance Shares convert into Shares upon satisfaction of the following milestones (each, a **Milestone**):

- (**FY16 Tranche**): if Precast Australia Pty Ltd (**Precast**) achieves earnings before interest, tax, depreciation and amortisation (EBITDA) of at least $500,000 but less than $1 million during the financial year ending 30 June 2016 – then a total of 13.6 million Performance Shares will convert into Shares;
- (**FY17 Tranche**): if Precast achieves EBITDA of at least: (a) $1 million during the period 1 July 2016 to 30 June 2017; or (b) $1.5 million during the period 1 July 2015 to 30 June 2017 – then a total of 26.4 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche) will convert into Shares;
- (**FY18 Tranche**): if Precast achieves EBITDA of at least: (a) $1.5 million during the period 1 July 2017 to 30 June 2018; or (b) $3 million during the period 1 July 2015 to 30 June 2018 – then a total of 40 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche and the FY17 Tranche) will convert into Shares; and
- (**Bonus tranche**): if Precast achieves EBITDA during the period 1 July 2015 to 30 June 2018: (a) of greater than $3 million in aggregate, a total of 80 million Performance Shares (less the sum of any Shares which have already been converted into Shares during the period 1 July 2015 to 30 July 2018) will convert into Shares; or (b) of between $500,000 and $3 million, the number of Performance Shares determined in accordance with the following formula will convert into Shares:

  A = ((B/C) x D) – E Where:
  A = The number of Performance Shares to convert into Shares
  B = EBITDA achieved in aggregate for period 1 July 2015 to 30 June 2018
  C = $3,000,000
  D = 80,000,000
  E = Total number of Performance Shares already issued under the FY16 Tranche, the FY17 Tranche and the FY18 Tranche respectively.

To date, none of the milestones set out above have been met and none of the performance shares have been converted or cancelled. Under the terms of the Performance Shares, no conversion into Shares will occur if milestones are not achieved. Any Performance Share not converted into a Share by the expiry date of 29 December 2018 will be cancelled.

2. Unlisted options are exercisable at $0.10 each on or before 30 June 2019.

3. Convertible Notes are convertible into one Fully Paid Ordinary Share and one Listed Option exercisable at $0.02 each on or before 6 December 2018. This issuance was approved by shareholders at the Company's General Meeting held on 5 June 2017.

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of WestStar Industrial Limited for the year to 30 June 2018 was $3,067,348 (2017: net loss of $6,576,668). The loss for the current year includes an accounting impairment loss of $992,198 (2017: $nil) as a result of the acquisition of SIMPEC. The Company also recognised $147,950 (2017: $161,259) in depreciation charges. Aside from this, the Company incurred establishment costs for SIMPEC including supporting the business until it won its first contract in November 2017.

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

CORPORATE STRUCTURE

WestStar Industrial Limited is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of companies within the Group during the financial year was the provision of construction and mining services via its subsidiaries:

- Precast Australia Pty Ltd ("Precast Australia") a manufacturer of precast concrete products, structures and elements);
- SIMPEC Pty Ltd ("SIMPEC") a construction contractor with specialist experience in both Structural, Mechanical and Piping (SMP), and Electrical and Instrumentation (E&I) works);
- Distinct Developments Pty Ltd ("Distinct") a property development business.

Precast Australia has been a wholly owned WestStar business since the Group's re-listing on ASX in 2016. On 29 December 2017, WestStar acquired 100% of the ordinary share capital and voting rights in SIMPEC. Distinct was incorporated by the Group on 1 May 2018 and is wholly owned.

REVIEW OF OPERATIONS

Corporate Update

On 12 June 2018, the Company announced the completion of an oversubscribed placement to sophisticated and professional investors raising $1.0 million. The placement proceeds are being used to fund working capital for Precast Australia, SIMPEC and Distinct and allow it to execute on anticipated further contract wins, as and when they occur.

Operations

The loss after tax for the year ended 30 June 2018 was $3,067,348 (FY2017 loss of $6,576,668). The current year loss included an accounting impairment loss of $992,198 (2017: $nil) as a result of the acquisition of SIMPEC. The Company also recognised $147,950 (2017: $161,259) in depreciation charges. Aside from this, the Company incurred establishment costs for SIMPEC including supporting the business until it won its first contract in November 2017. The prior year loss included listing expenses totalling $3,374,335, non-cash share based payments of $1,040,234 and revenues of $4,578,341. In comparison, The Company posted a 101% increase in revenue to $9,114,576 mainly as a result of improving traction gained by the Precast Australia business in improving market conditions and the inclusion of the SIMPEC business.

Precast Australia has been able to leverage its quality work to yield improved margins. This, in tandem with reducing labour hire costs by bringing key employees on full time, has assisted with delivering improved cashflow and profitability. During the year, Precast Australia has been involved in several prominent Western Australian projects including the Forrestfield Airport Rail Link, the Matagarup Bridge over the Swan River and the Thomson Bay boardwalk at Rottnest Island. These infrastructure projects demonstrate the diverse capabilities of Precast Australia.

SIMPEC had a strong first year of operations. On 13 November 2017, the Company announced that SIMPEC had won its first contract of $1.5M for construction works at Iluka Resources' new mineral sands mine development at Cataby, 150km north of Perth, Western Australia ("Cataby Project"). SIMPEC leveraged this contract and its respected directors, Mr Mark Dimasi and Mr David Dimasi, to gain further contracts from MSP Engineering and BHP. Subsequent to period end, the Company announced further contract wins for SIMPEC to build an order book to the value of ~$6M.

On 1 May 2018, the Company announced the establishment of a new property development business Distinct. Distinct's ambit is to address a niche market in small to mid-size commercial and mixed-use property projects. Distinct was a natural progression for the Group which, due to its existing businesses and management, has a wealth of contacts across the building, construction and investment sectors.

On 12 June 2018, the Company announced that Distinct had secured a management contract for the design and construction of a commercial mixed-use building in West Perth, Western Australia. Under the contract awarded by 24 Prowse Street Pty Ltd, Distinct will oversee the construction which has a forecast all-in build cost of ~$9M. For these services, Distinct will receive fees over of the 24-month construction period of ~$1.1M.

The Directors have resolved that based on all available facts and information currently available, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and therefore operating as a going concern.

Acquisition of SIMPEC Pty Ltd

On 29 December 2017, WestStar acquired 100% of the ordinary share capital and voting rights in SIMPEC Pty Ltd (''SIMPEC").

The consideration for the acquisition comprised the issue to SIMPEC's shareholders of:

- 37.5 million fully paid ordinary shares on completion
- 37.5 million service based performance securities
- up to 25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of SIMPEC Pty Ltd. Details of the transaction are as follows:

	$
Consideration:	
37.5 million fully paid ordinary shares on completion	937,500
37.5 million service based performance securities	-
25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.	-
Total value of consideration	937,500
Fair value of the Company at acquisition:	
Cash and cash equivalents	79,633
Trade and other receivables	960,703
Plant and equipment	5,925
Trade and other payables	(179,431)
Provisions	(71,073)
Unearned Income	(850,455)
Fair value of net assets	(54,698)
Goodwill	992,198
Less impairment of goodwill	(992,198)
	-

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed elsewhere in this Directors report, there have been no significant changes in the state of affairs of the Group which occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2018.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are set out in the above review of operations in this annual report.
Any future prospects are dependent upon the success of the Company's operational subsidiaries.

INDEMNIFYING OFFICERS OR AUDITOR

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

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

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr Lay Ann Ong	6	6
Mr Philip Re	6	6
Mr Bert Mondello	6	6

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Notes to the financial statements.

The board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services outlined in the Notes to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

SHARE OPTIONS

As at the date of this report, there were the following unissued ordinary shares under options.

- 191,833,333 Listed options exercisable at $0.02 each on or before 6 December 2018.
- 20,000,000 Unlisted options exercisable at $0.10 each on or before 30 June 2019.

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

ASX LISTING RULE 4.10.19 STATEMENT

The Directors confirm in accordance with ASX Listing Rule 4.10.19 that during the period from reinstatement to quotation and 30 June 2018, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

AUDITOR INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the full year financial report. The Independence Declaration forms part of this Directors' Report. A copy of that declaration is included in this annual report. There were no non-audit services provided by the Company's auditor.

AUDITED REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of WestStar Industrial Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Details of Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Mr Lay Ann Ong	Non-Executive Director	appointed 10 September 2015
Mr Philip Re	Non-Executive Director	appointed 28 March 2017
Mr Bert Mondello	Non-Executive Director	appointed 28 March 2017
Mr Robert Spadanuda	CEO (WestStar Group)	
Mr Mark Dimasi	Managing Director (SIMPEC)	

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and, if required, senior executives of the Company ("the Directors and senior executives"). These arrangements will be competitively set to attract and retain appropriately qualified and experienced Directors and senior executives.

The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy. No such advice was obtained during the current year.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake this function as a full Board under the guidance of the charter.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Non-executive Director remuneration

Non-executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, where applicable superannuation contributions or salary sacrifice into equity and do not normally participate in schemes designed for the remuneration of executives.

Shareholders approval must be obtained in relation to the overall limit set for the non-executive Directors' fees. The maximum aggregate remuneration approved by shareholders for non-executive Directors is $300,000 per annum. The Directors set the individual non-executive Director fees within the limit approved by shareholders.

Employment Contracts of Directors and Senior Executives

The employment contracts typically stipulate 3 month resignation periods. The Company may also at its sole discretion terminate an employment contract immediately by making a payment equal to the salary for the relevant period of notice. There are no employment contracts relating to Non-Executive Directors or the Company Secretary other than those outlined above.

Relationship between the remuneration policy and Company performance

The Directors considers that at this time, evaluation of the Company's financial performance using generally accepted measures such as total shareholder return or per Company comparison are not relevant as the Company has a limited trading history and is continuing to establish itself as outlined in the Directors' report. Fees for non-executive directors are not linked to the performance of the Group.

The earnings of the listed entity for the five years to 30 June 2018 are summarised below:

WestStar Industrial Limited	**2018**	**2017**	**2016**	**2015**	**2014**
Revenue ($'000)	9,115	4,578	14	432	1
NPAT ($'000)	(3,067)	(6,577)	(794)	2,599	(6,871)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

WestStar Industrial Limited	**2018**	**2017**	**2016**	**2015**	**2014**
Dividends	-	-	-	-	-
Basic EPS (cents per share)	(0.008)	(0.031)	(3.63)	14.84	(41.50)

*Net profit/(loss) and earnings per shares figures for periods prior to 2017 are as previously disclosed and have not been updated for subsequent acquisitions and therefore these figures may not be comparative to the 2018 figures.

Loans to Directors and Executives
There were no loans to directors and executives during the financial year ended 30 June 2018.

Share-based Compensation
Issue of shares
There were no share issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

Options
There were no grants of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year. No options vested, lapsed or were exercised during the year.

Voting and comments made at the company's 2017 Annual General Meeting
WestStar Industrial Limited received more than 99% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration Expense Details for the Year Ended 30 June 2018
The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards.

		Short Term employee benefits		Post employment benefits		Share based payments	Total
Director		Base Salary & Fees $	Other $	Superannuation $	Termination benefits $	Shares & options $	**$**
Lay Ann Ong	2018	48,000	-	-	-	-	48,000
	2017	48,000	-	-	-	-	48,000
Philip Re	2018	48,000	-	-	-	-	48,000
	2017	12,515	-	-	-	-	12,515
Bert Mondello	2018	48,000	-	-	-	-	48,000
	2017	12,515	-	-	-	-	12,515
Frank Licciardello[1]	2017	39,420	-	-	26,280	-	65,700
Frank Stranges[1]	2017	8,760	-	-	13,140	-	21,900
David Wheeler[2]	2017	20,000	-	-	24,000	-	44,000
Peter Torre[3]	2017	31,000	-	-	-	-	31,000
Management							
Robert Spadanuda	2018	135,000	25,000	15,200	-	-	175,200
	2017	95,000	25,000	11,400	-	-	131,400
Mark Dimasi	2018	168,076	-	15,967	-	-	184,043
Total	**2018**	**447,076**	**25,000**	**31,167**	**-**	**-**	**503,243**
	2017	**267,210**	**25,000**	**11,400**	**63,420**	**-**	**367,030**

1. Frank Licciardello resigned 28 March 2017. Frank Stranges was appointed 24 January 2017 and resigned 28 March 2017.
2. David Wheeler resigned 18 November 2016.
3. Peter Torre was appointed 21 November 2016 and resigned 20 January 2017. His payment in 2016 related to company secretarial services.

Shareholdings of Key Management Personnel
The number of shares in the Company held during the financial year held by each director of WestStar Industrial Limited, including their personally related parties, is set out below. There were no shares granted during the year as compensation.

Director	**Held at 30 June 2017**	**Granted as compensation**	**Net change other**	**Held at 30 June 2018**
Lay Ann Ong	74,343,686	-	-	74,343,686
Philip Re	-	-	138,619	138,619
Bert Mondello	-	-	-	-
Management				
Robert Spadanuda	-	-	-	-
Mark Dimasi[1]	-	-	9,375,000	

1. In partial consideration of the acquisition of SIMPEC Pty Ltd, Mr Mark Dimasi (and / or his nominees) were issued 18,750,000 fully paid ordinary shares (half of the 37,500,000 first tranche of consideration shares issued). Mr Mark Dimasi allotted 9,375,000 to entities controlled by him and the balance to unrelated nominees.

For the previous year ended 30 June 2017:

Director	**Held at 30 June 2016**	**Granted as compensation**	**Net change other**	**Held at 30 June 2017**
Lay Ann Ong[1]	-	-	74,343,686	74,343,686
Management				
Robert Spadanuda	-	-	-	-

1. As a vendor of Precast, these shares were issued as consideration for the acquisition of Precast and conversion of principal and outstanding interest on convertible notes. In addition, as detailed in this Director's report, Lay Ann Ong and his related entities also received 60,000,000 Performance shares subject to milestones and a 24 month escrow period.

Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the company held during the financial year by each director of WestStar Industrial Limited and specified executive of the Group, including their personally related parties, are set out below:

Director					**Vested Options**	
	Held at 30 June 2017	**Granted as compensation**	**Net change other**	**Held at 30 June 2018**	**Exercisable**	**Not exercisable**
Lay Ann Ong	15,000,000	-	-	15,000,000	15,000,000	-
Philip Re	-	-	-	-	-	-
Bert Mondello	-	-	-	-	-	-
Management						
Robert Spadanuda	-	-	-	-	-	-
Mark Dimasi	-	-	-	-	-	-

For the previous year ended 30 June 2017:

Director					**Vested Options**	
	Held at 30 June 2016	**Granted as compensation**	**Net change other**	**Held at 30 June 2017**	**Exercisable**	**Not exercisable**
Lay Ann Ong[1]	-	-	15,000,000	15,000,000	-	15,000,000
Frank Licciardello	-	-	-	-	-	-
David Wheeler	-	-	-	-	-	-
Peter Torre	-	-	-	-	-	-
Management						
Robert Spadanuda	-	-	-	-	-	-

1. As a vendor of Precast, these unlisted options were issued as consideration for the acquisition of Precast and conversion of principal and outstanding interest on convertible notes. These unlisted options are subject to an escrow period of 24 months and are exercisable on or before 30 June 2019.

Rights holdings of Key Management Personnel

In partial consideration of the acquisition of SIMPEC Pty Ltd, Mr Mark Dimasi (and / or his nominees) were issued 18,750,000 unlisted service-based Performance Rights (Rights) (half of the 37,500,000 Rights issued) each convertible into to one fully paid ordinary Share subject to completion of one year of service within the Group (Service Conditions). Subsequent to year end, the Service Conditions of the Rights were satisfied and these Rights were converted into fully paid ordinary shares.

Other transactions with Key Management Personnel

Regency Corporate Pty Limited

Regency Corporate (and its nominees), a company of which Mr Philip Re is a director, provided the Company with a fully serviced office including administration and information technology support and reimbursement of payments for financial accounting fees, corporate secretarial, bookkeeping, CFO and corporate advisory services of $178,542 plus GST in the period.

For professional services rendered in the Company's acquisition of SIMPEC Pty Ltd, Regency Corporate received a fee of $120,000 plus GST.

On 5 June 2018, the Company entered into a mandate agreement (Mandate) with Regency Corporate to undertake a capital raise of $1,000,000 (before costs) (Placement) to sophisticated and professional investors. Per the terms and conditions of the Mandate, Regency Corporate charged the Company with a Corporate Advisory Fee equal to $60,000 plus GST for services related to the Placement.

As at 30 June 2018, the amount outstanding from the Company to Regency Corporate was $101,796.

24 Prowse Street Pty Ltd
On 12 June 2018, WestStar announced that Distinct Developments Pty Ltd ("Distinct") has secured a management contract (the "Contract") for the design and construction of a commercial mixed-use building (the "Project") in West Perth, Western Australia. To fast-track the development, Distinct made a working capital facility ("Facility") of $750,000 available to the owner, 24 Prowse Street Pty Ltd, for the purposes of assisting with the property settlement, design consultants, development approvals, rates and taxes. The Facility is provided with an interest rate of 10% per annum payable to Distinct with a 36 months' maturity period. Mr Mark Dimasi is a director of 24 Prowse Street Pty Ltd.

Dimasi Family Trust
During the period, The Dimasi Family Trust, an entity related to Mr Mark Dimasi, was paid $23,715 in relation to provision of administrative services for the Group.

Weststar Precast Pte Ltd
On 24 April 2018, the Company entered into a Convertible Note agreement with WestStar Precast Pte Ltd, an entity associated with Mr Lay Ann Ong in satisfaction of an outstanding loan. The balance reflected will be extinguished on conversion of 20,000,000 Convertible Notes with each Convertible Note being convertible into one Share and one Option exercisable at $0.02 each on or before 6 December 2018.

As at 30 June 2018, the amount outstanding from the Company to Weststar Precast Pte Ltd was $226,669.

As disclosed in the Company's replacement prospectus dated 14 June 2016, pursuant to an agreement between Weststar Precast Pte Ltd and Precast, Weststar Precast Pte Ltd agreed to provide Precast with an uncommitted working capital loan facility of up to AU$1 million. Under the terms of the agreement:

- Interest accrued on each drawdown at the rate of 6% above the published BBSY from the date of the drawdown;
- All amounts outstanding on the facility are repayable within 14 days of demand by Weststar Precast Pte;
- A commission is payable to Weststar Precast Pte on each drawdown at the rate of 5% of the drawdown.

This working capital loan facility is available to the Company, subject to shareholder approval and is currently undrawn and was undrawn at the reporting date.

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

Bert Mondello
Director
Perth, Western Australia
30 September 2018

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of WestStar Industrial Limited and Controlled Entities for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 30th day of September 2018

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
Revenue	4	9,096,182	4,561,286
Other income	4	18,394	17,055
		9,114,576	4,578,341
Expenses:			
Cost of goods sold		(7,884,325)	(3,642,250)
Distribution expenses		(91,508)	(43,688)
Occupancy expenses		(627,044)	(645,063)
Administration expenses	5	(2,429,180)	(2,145,180)
Listing expense		-	(3,374,335)
Depreciation		(147,950)	(161,259)
Impairment of intangibles	6	(992,198)	-
Finance costs	5	(10,096)	(103,000)
Share based payments expense	23	-	(1,040,234)
Expenses		**(12,182,301)**	**(11,155,009)**
Profit / (loss) before income tax		**(3,067,725)**	**(6,576,668)**
Income tax expense	7	**-**	**-**
Profit / (loss) after income tax		**(3,067,725)**	**(6,576,668)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Other comprehensive loss, net of tax		-	-
Total comprehensive income / (loss)		**(3,067,725)**	**(6,576,668)**
Earnings / (loss) per share			
Loss per share for the year attributable to the members of WestStar Industrial Limited (cents per share)	24	(0.008)	(0.030)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,711,826	1,559,215
Trade and other receivables	9	1,992,484	726,711
Other assets	10	306,673	218,823
Total Current Assets		**4,010,983**	**2,504,749**
Non-Current Assets			
Trade and other receivables	9	-	64,218
Investments	11	148,323	145,293
Bank guarantees		155,362	-
Property, plant & equipment	12	435,033	533,953
Loans receivable	13	750,000	-
Total Non-Current Assets		**1,488,718**	**743,464**
Total Assets		**5,499,701**	**3,248,213**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	4,597,801	1,908,362
Provisions	15	156,408	95,009
Borrowings	16	785,461	565,442
Other liabilities	10	416,419	
Total Current Liabilities		**5,956,089**	**2,568,813**
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**5,956,089**	**2,568,813**
Net Assets / (Liabilities)		**(456,388)**	**679,400**
EQUITY			
Issued capital	21	10,162,478	8,284,978
Reserves	22	821,045	766,608
Accumulated losses		(11,439,911)	(8,372,186)
Total Equity / (Deficiency)		**(456,388)**	**679,400**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
Cash flows from operating activities			
Receipts from customers		8,313,874	4,079,223
Payments to suppliers and employees		(8,436,779)	(6,343,897)
Interest received		6,267	8,823
Interest paid		(18,906)	(80,585)
Net cash flows used in operating activities	8	**(135,544)**	**(2,336,436)**
Cash flows from investing activities			
Payment for investment in term deposit		-	(145,293)
Payment for bank guarantees		(158,392)	-
Receipt for redemption of investment in term deposit		-	142,007
Purchase of subsidiary, net cash acquired	6	79,633	3,111,752
Purchase of property, plant & equipment		(43,105)	(314,960)
Net cash flows provided by/(used in) investing activities		**(121,864)**	**2,793,506**
Cash flows from financing activities			
Proceeds from issue of shares		940,000	1,673,475
Proceeds from borrowings		220,019	-
Amounts loaned		(750,000)	-
Repayment of borrowings		-	(806,000)
Net cash provided by/(used in) financing activities		**410,019**	**867,475**
Net increase in cash and cash equivalents		152,611	1,324,545
Cash and cash equivalents at beginning of period		1,559,215	234,670
Cash and cash equivalents at the end of the period	8	**1,711,826**	**1,559,215**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2018

	Note	Issued capital $	Accumulated losses $	Share based payment reserve $	Total $
At 1 July 2017		**8,284,978**	**(8,372,186)**	**766,608**	**679,400**
Profit/(loss) for the year		-	(3,067,725)	-	(3,067,725)
Other comprehensive income					
Total comprehensive loss for the year			(3,067,725)		(3,067,725)
Transactions with owners in their capacity as owners					
Shares issued for the acquisition of SIMPEC Pty Ltd	6	937,500	-	-	937,500
Contribution of equity net of transaction costs	21	940,000	-	-	940,000
Recognition of share-based payments	22	-	-	54,437	54,437
Transactions with owners in their capacity as owners		1,877,500	-	54,437	1,931,937
Balance at 30 June 2018		**10,162,478**	**(11,439,911)**	**821,045**	**(456,388)**

	Note	Issued capital $	Accumulated losses $	Share based payment reserve $	Total $
At 1 July 2016		**160**	**(1,795,518)**	**-**	**(1,795,358)**
Profit/(loss) for the year		-	(6,576,668)	-	(6,576,668)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	(6,576,668)	-	(6,576,668)
Transactions with owners in their capacity as owners					
Shares and options issued for the reverse acquisition of WestStar Industrial Limited		6,186,343	-	484,805	6,671,148
Contribution of equity net of transaction costs	21	1,673,475	-	-	1,673,475
Recognition of share-based payments	21	425,000		281,803	706,803
Transactions with owners in their capacity as owners		8,284,818	-	766,608	9,051,426
Balance at 30 June 2017		**8,284,978**	**(8,372,186)**	**766,608**	**679,400**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Corporate

The financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 30 September 2018.

WestStar Industrial Limited is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group, in particular the operating entity Precast Australia Pty Ltd ("Precast") are described in the Directors' Report.

2. Basis of Preparation and Accounting Policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost except for available-for-sale investments which are measured at fair value. The presentation currency is Australian dollars.

Going concern
This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2018 of $3,067,725 (2017: loss of $6,576,668) and net operating cash outflows of $135,545 (2017: $2,336,436). The Group experienced total net cash inflows of $152,611 (2017: inflow of $1,324,545) from improved profitability and market conditions. The prior period inflow was attributable to capital raising activities. The Group has Cash of $1,711,826 (2017: $1,559,215) and a working capital deficit of $1,945,106 at 30 June 2018 (2017: surplus of $81,229).

There are uncertainties associated with forecasting future revenues and expenses of the Company. The Group also has a high level of capital investment required including bank guarantees to commence operations and fund the working capital requirements of the Group in dealing with the Tier 1 contractors to deliver work currently on its order book.

While it is the Group's intention to be cash flow positive through operations, the Group may be required to raise additional capital either through equity or debt in order to continue as a going concern. The Group is confident that it will be able to raise additional funding either through debt or equity as and when required to continue to support the business and has been successful in these efforts in the recent past. The Group has the support of its creditors and employees in relation to its obligations and has agreed payment arrangements in respect of taxation liabilities.

The Directors have indicated that they will continue to support the Company and provide necessary working capital if required to ensure the consolidated entity remains a going concern. WestStar Precast Pte Ltd, a director related entity currently provides the Company with a working capital facility (subject to shareholder approval) of up to $1 million, secured with an interest rate of BBSY+6% on drawn down balance. This facility is available, and currently undrawn.

If the Group does not achieve its forecast profit and is unable to raise additional funding there exists a material uncertainty which may cast significant doubt whether the Group will continue as a going concern and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The Directors are confident that the Group will receive further funding and consider the Group is a going concern, but recognise that it is dependent on the matters mentioned above and in the financial statements.

On the basis that sufficient funding is expected to be raised to meet the Company's expenditure forecasts, the Directors consider that the Group remains a going concern and these financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. In considering the above, the directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of WestStar Industrial Limited ('the Company') and its subsidiaries as at 30 June each year ('the Group').

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full.

(d) Parent Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in the notes.

(e) New accounting standards and interpretations issued not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, 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 simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. 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 consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

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 judgments 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 consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is currently been assessed by the consolidated entity and yet to be finalised.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of

low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

(f) Foreign Currency Translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of WestStar Industrial Limited is Australian dollars.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit of loss.

(iii) Group entities
On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the profit of loss during the financial period in which it is incurred.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	15-30 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Derecognition
Plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit of loss.

(h) Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, it makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the profit of loss.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Assessments of the collectability of trade receivables, including contract retentions are made on an ongoing basis. An allowance account for impaired trade receivables is made when there is objective evidence that the Group will not be able to collect the amounts owed according to the original terms. When a trade receivable is deemed uncollectible for which an impairment allowance has been recognised, it is written off against the allowance account.

Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified

(j) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Trade and other payables

Liabilities for trade creditors and other amounts are initially measured at fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group and subsequently measured at amortised cost using the effective interest rate method.

(m) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.
Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WestStar Industrial Limited (the ‘head entity’) and its wholly-owned subsidiary Icon Gold Pty Ltd have formed an income tax consolidated group under the tax consolidation regime. The head entity and this subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the ‘separate taxpayer within group’ approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. Precast Australia Pty Ltd has not been included in the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(n) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Accrued Income and Construction Contracts

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

Unearned income classified as a current liability consists of customer advances for construction work in progress. The consolidated entity recognises a liability upon receipt of customer advances and then subsequently recognised as revenue when earned.

(p) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of goods and services tax (GST), returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services
Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest income
Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of WestStar Industrial Limited.

(r) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share
Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(s) Goods and services tax

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. The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis and the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

(t) Investment in Associates

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.
When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised. Details of the Group's investments in associates are provided in notes.

(u) Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(v) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or Group of financial assets is impaired.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(w) Financial liabilities

Non-derivative financial liabilities are initially measured at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

(x) Share based payment transactions

The Group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WestStar Industrial Limited ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share.

(y) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payment transactions
The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Investment in associate
The Group assesses the investment in associate at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The assessments require the use of estimates and assumptions such as discount rates, operating costs and future capital requirements. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the investment in associate.

Additionally, management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made:

- trade and other receivables, refer note 2 (i);
- recovery of deferred taxes, refer note 2 (m); and
- revenue recognition, refer notes 2 (o) and and (p).

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(z) Non-current assets (or disposal Groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal Groups) and the sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary, after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 139 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal Groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell.

(aa) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent nonconvertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(bb) Parent entity financial information

The financial information for the parent entity, WestStar Industrial Limited, disclosed in Note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments
The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(cc) Reverse acquisition accounting

On 6 July 2016, the Company announced the completion of the acquisition of 100% of the shares in Precast Australia Pty Ltd ABN 71 602 022 837 (**Precast Australia**), a Western Australian business involved in the manufacture of precast concrete products. Precast is a related party of WestStar by virtue of being controlled by an entity owned by Director, Mr Lay Ann Ong.

As detailed in the Company's prospectus dated 14 June 2016, ("Replacement Prospectus"), the acquisition involved a significant change to the nature of the Company's main business activity from mineral exploration and resource investment to the manufacture of precast concrete products. Furthermore, the acquisition involved a significant change to the size of the Company's business operations.

The share purchase agreement relating to the acquisition of Precast, was entered into on 28 August 2015. Under that agreement, the Company agreed to acquire all the ordinary shares in Precast and in return the consideration for the acquisition comprised the issue to Precast's shareholders of shares, options and performance shares as detailed below.

The acquisition of Precast Australia did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that the Company has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if Precast had acquired the Company and not vice-versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by Precast Australia to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of the Company would not constitute a business based on the requirements of AASB 3, the excess of the deemed consideration over the fair value of the Company, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed as a listing expense. Concurrent with the acquisition of Precast Australia, the Company successfully raised $3.26 million through the Replacement Prospectus offering of 65,120,000 new ordinary shares issued at $0.05 per share and re-complied with the ASX listing rules.

The acquisition of 100% of the issued capital of Precast Australia on 6 July 2016 resulted in the Company issuing the following:

* 80,000,000 fully paid ordinary shares at $0.05 per share were issued.
* 20,000,000 options were issued, exercisable at 10 cents each expiring on 6 July 2019.
* 80,000,000 performance shares were issued subject to performance conditions being met within three years from date of issue (or will otherwise lapse).

As the Company is deemed to be the acquiree for accounting purposes, therefore the following represents the net assets and consideration paid by Precast Australia Pty Ltd for WestStar Industrial Limited. No adjustments were required to the historical values to effect this change.

	$
Consideration:	
80,000,000 fully paid ordinary vendor shares	6,186,343
20,000,000 options(i)	484,805
80,000,000 performance shares(ii)	-
Total value of consideration	6,671,148
Fair value of the Company at acquisition:	
Cash and cash equivalents	3,111,752
Available for sale investment	1,500
Loan receivable	406,077
Other assets	15,244
Trade and other payables	(237,760)
Fair value of net assets	3,296,813
Excess of consideration over the fair value of net assets at the date of acquisition, recognised as listing expense	3,374,335

(i) The value of the options was determined based on the Black Scholes model using the following assumptions:

- Dividend yield % nil
- Expected volatility 100%
- Risk free interest rate 1.77%

- Expected life of options (years) 3
- Exercise price $0.10
- Grant date share price $0.05
- Fair value per option $0.0242

(ii) No value has been assigned to the Performance Shares as the achievement of the vesting conditions has been deemed not to be probable.

3. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is three relevant businesses segment being:

Precast Australia, which provides prefabricated concrete construction services to the construction and resources sectors in Australia.

SIMPEC, which is a construction contractor with specialist experience in both Structural Mechanical and Piping, Electrical and Instrumentation works.

Distinct Development, which addresses small to mid-size mixed-use property projects, a niche in the local market.

Segment reporting	**Precast** $	**SIMPEC** $	**Distinct** $	**Group** $
Year ended 30 June 2018				
Segment revenue	5,846,341	3,249,841	-	9,096,182
Segment expense	(6,941,818)	(4,434,593)	(21,024)	(11,397,435)
Segment operating loss	**(1,095,477)**	**(1,184,752)**	**(21,024)**	**(2,301,253)**
Other Income				18,394
Corporate & administration				(636,916)
Depreciation & administration				(147,950)
Profit/ (Loss) before Tax				**(3,067,725)**
Year ended 30 June 2017				
Segment revenue	4,561,286	-	-	4,561,286
Segment expense	(6,184,374)	-	-	(6,184,374)
Segment operating loss	**(1,623,088)**	**-**	**-**	**(1,623,088)**
Other Income				17,055
Corporate & administration				(4,706,376)
Depreciation & administration				(161,259)
Finance cost				(103,000)
Profit/ (Loss) before Tax				**(6,576,668)**
Year ended 30 June 2018				
Segment assets	2,513,064	1,762,966	752,203	5,028,233
Segment liabilities	(2,390,871)	(2,321,685)	(23,124)	(4,735,680)
Segment asset & liabilities	**122,193**	**(558,719)**	**729,079**	**292,553**
Cash and corporate assets				55,050
Cash and corporate liabilities				(803,991)
Total asset & liabilities				**(456,388)**
Year ended 30 June 2017				
Segment assets	2,045,461	-	-	2,045,461
Segment liabilities	(5,607,207)	-	-	(5,607,207)
Segment asset & liabilities	**(3,561,746)**	**-**	**-**	**(3,561,746)**
Cash and corporate assets				4,241,146
Cash and corporate liabilities				-
Total asset & liabilities				**679,400**

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

4. Revenue and Other Income

	2018 $	2017 $
Revenue		
Sale of goods	9,096,182	4,552,464
Interest income	6,267	8,822
	9,102,449	4,561,286
Other income		
Other income	12,127	17,055
	9,114,576	17,055

5. Expenses

	2018 $	2017 $
Administrative expenses		
- Employee wages and salaries	1,301,759	1,115,971
- Professional services and consultant fees	680,442	248,571
- Doubtful debts expense	-	233,771
- Insurance	89,336	71,992
- Motor vehicle costs	91,510	43,688
- ASX and Share registry fees	32,951	54,097
- General administrative costs	233,182	377,090
	2,429,180	2,145,180
Finance costs		
- Associated companies	-	59,515
- Other	10,096	43,485
	10,096	103,000

6. Acquisition of SIMPEC Pty Ltd

On 29 December 2017, WestStar Industrial Limited acquired 100% of the ordinary share capital and voting rights in SIMPEC Pty Ltd.

(a) Acquisition Consideration
The consideration for the acquisition comprised the issue to SIMPEC's shareholders of:

- 37.5 million fully paid ordinary shares on completion
- 37.5 million service based performance securities
- up to 25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.

(b) Fair value of consideration transferred
Under the principles of AASB 3, the assets and liabilities of SIMPEC Pty Ltd are measured at fair value on the date of acquisition.
(c) Goodwill
Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of SIMPEC Pty Ltd. Details of the transaction are as follows:

	Fair Value $
Consideration	
37.5 million fully paid ordinary shares on completion	937,500
37.5 million service based performance securities	-
25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.	-
Total consideration	937,500
Fair value of assets and liabilities held at acquisition date:	
Cash	79,633
Trade and other receivables	960,703
Plant and equipment	5,925
Trade and other payables	(179,431)
Provisions	(71,073)
Unearned Income	(850,455)
Fair value of identifiable assets and liabilities assumed	(54,698)
Goodwill	992,198
Less impairment of goodwill	(992,198)
	-

7. Income Tax

	2018 $	2017 $
(a) Income tax expense		
Major component of tax expense for the year		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

	2018 $	2017 $
Profit / (Loss) from continuing operations before income tax expense	(3,067,725)	(6,576,668)
Tax at the group rate of 27.5% (2017: 27.5%)	(843,624)	(1,808,584)
Other non-allowable items	113,816	1,214,007
Net tax benefit not brought to account	729,808	594,577
Net tax benefit brought to account	-	-
Income tax expense	-	-

(c) Deferred tax

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

	2018 $	2017 $
Liabilities		
Deferred tax liability recognised	-	(36,447)
Assets		
Losses available to offset against future taxable income	507,194	707,521
Share issue costs deductible over five years	(84,321)	(5,648)
Accrued expenses	(138,293)	(70,849)
Deferred tax asset not recognised	729,808	594,577

The benefit for tax losses will only be obtained if:

(i) the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,

(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia, and

(iii) no changes in tax legislation in Australia adversely affect the Group in realising the benefit from the deductions for losses.

8. Cash and Cash equivalents

	2018 $	2017 $
Cash at bank and on hand	1,711,826	1,559,215
	1,711,826	**1,559,215**

Reconciliation to Consolidated Statement of Cashflows:

Balances as above	1,711,826	1,559,215
Bank overdraft	-	-
Balances per Statement of Cashflows	1,711,826	1,559,215

Reconciliation of loss after income tax to net cash outflow from operating activities	2018 $	2017 $
Loss after income tax	(3,067,725)	(6,576,668)
Non Cash Items		
Depreciation and amortisation expenses	147,950	161,259
Impairment expenses	992,198	-
Listing expenses	-	3,374,335
Share-based payment expenses	-	1,040,234
(Decrease) / Increase in working capital		
(Increase) / decrease in receivables	(1,297,093)	(86,767)
(Increase) / decrease in other assets	201,496	(442,128)
Increase / (decrease) in payables	2,826,231	258,954
Increase / (decrease) in provisions	61,399	(65,655)
Net cash outflow from operating activities	(135,544)	(2,336,436)

9. Trade and Other Receivables

Trade receivables (Current)	2018 $	2017 $
Trade receivables	1,611,820	452,404
Less Allowance for doubtful debts	-	-
	1,611,820	452,404
Retentions	368,447	154,618
Other receivables	2,100	78,253
Prepayments	10,117	41,436
	1,992,484	**726,711**

Aging of past due not impaired:		
<30 days	869,201	237,707
30-60 days	602,602	177,260
60-90 days	129,402	-
90+ days	10,615	37,437
Total	1,611,820	452,404

Trade receivables (Non-Current)	2018 $	2017 $
Retentions	-	64,218
	-	64,218

10. Other Assets and Liabilities

	2018 $	2017 $
Accrued Income (Asset)		
Accrued Income	553,500	465,650
Less Allowance for doubtful debts	(246,827)	(246,827)
	306,673	**218,823**
Unearned Income (Liability)		
Unearned Income	416,418	-
	416,418	**-**

11. Investments

	2018 $	2017 $
Term deposit	148,323	145,293
	148,323	**145,293**

12. Property, Plant and Equipment

	2018 $	2017 $
Gross carrying value	893,498	845,625
Accumulated depreciation	(458,465)	(311,672)
Net carrying value	**435,033**	**533,953**

Gross carrying value	Leasehold Improvements $	Plant & Equipment $	Total $
At 1 July 2017	**256,129**	**589,496**	**845,625**
Additions	-	59,212	59,212
Disposals	-	(11,339)	(11,339)
At 30 June 2018	256,129	637,369	893,498

Accumulated depreciation			
At 1 July 2017	(56,401)	(255,270)	(311,672)
Disposals	-	1,157	1,157
Depreciation	(39,946)	(108,004)	(147,950)
At 30 June 2018	**(96,347)**	**(362,118)**	**(458,465)**

13. Loan Receivable

On 12 June 2018, WestStar announced that Distinct Developments Pty Ltd ("Distinct") has secured a management contract (the "Contract") for the design and construction of a commercial mixed-use building (the "Project") in West Perth, Western Australia. To fast-track the development, Distinct made a working capital facility ("Facility") of $750,000 available to the Owner, 24 Prowse Street Pty Ltd, for the purposes of assisting with the property settlement, design consultants, development approvals, rates and taxes. The Facility is provided with an interest rate of 10% per annum payable to Distinct with a 36 months' maturity period. 24 Prowse Street Pty Ltd is a related party of the Company as KMP Mr Mark Dimasi is a director.

14. Trade and Other Payables

	2018 $	2017 $
Trade payables	3,933,387	1,468,048
Sundry creditors and accruals	664,414	440,314
	4,597,801	**1,908,362**

15. Provisions

	2018 $	2017 $
Annual Leave	82,884	24,569
Long Service Leave	73,524	70,440
	156,408	**95,009**

16. Borrowings

	2018 $	2017 $
Loan from related parties(i)	565,442	565,442
Unsecured loan(ii)	220,019	-
	785,461	**565,442**

(i) On 24 April 2017, the Company entered into a Convertible Note agreement with WestStar Precast Pte Ltd, an entity associated with a Non-Executive Director, Lay Ann Ong in satisfaction of an outstanding loan. The balance reflected will be extinguished on conversion of 20,000,000 Convertible Notes with each Convertible Note being convertible into one Share and one Option exercisable at $0.02 each on or before the date that is 18 months from the issue date of the Options.

(ii) Unsecured loan bears interest at a rate of 10% p.a. This loan has been repaid in full, post period end.

17. Related Party Disclosures

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows, the 30 June 2016 comparative figures are WestStar Industrial Limited i.e. not Precast:

	2018 $	2017 $
Short term employee benefits	472,076	292,210
Post-employment benefits	31,167	74,820
Share based payments	-	-
	503,243	**367,030**

18. Related Party Transactions

The consolidated financial statements include the financial statements of the Group and the subsidiaries listed in the following table:

Name	Country of Incorporation	Principal Activities	% Equity Interest 2018	2017
Precast Australia Pty Ltd	Australia	Prefabricated concrete	100%	100%
Icon Gold Pty Ltd	Australia	Mineral exploration	100%	100%
SIMPEC Pty Ltd	Australia	Construction contracting	100%	-
Distinct Developments Pty Ltd	Australia	Property development	100%	-

(a) Transactions with related parties

	2018 $	2017 $
WestStar Precast Pte Ltd	-	210,669
Regency Corporate Pty Ltd	358,542	89,460
Sanston Securities Australia Pty Ltd	-	327,920
24 Prowse Street Pty Ltd	750,000	-
Dimasi Family Trust	23,715	-
Torre Corporate Pty Ltd	-	41,000
	1,132,257	**669,049**

Regency Corporate Pty Limited

Regency Corporate (and its nominees), a company of which Mr Philip Re is a director, provided the Company with a fully serviced office including administration and information technology support and reimbursement of payments for financial accounting fees, corporate secretarial, bookkeeping, CFO and corporate advisory services of $178,542 plus GST in the period.

For professional services rendered in the Company's acquisition of SIMPEC Pty Ltd, Regency Corporate received a fee of $120,000 plus GST.

On 5 June 2018, the Company entered into a mandate agreement (Mandate) with Regency Corporate to undertake a capital raise of $1,000,000 (before costs) (Placement) to sophisticated and professional investors. Per the terms and conditions of the Mandate, Regency Corporate charged the Company with a Corporate Advisory Fee equal to $60,000 plus GST for services related to the Placement.

As at 30 June 2018, the amount outstanding from the Company to Regency Corporate was $101,796

24 Prowse Street Pty Ltd

On 12 June 2018, WestStar announced that Distinct Developments Pty Ltd ("Distinct") has secured a management contract (the "Contract") for the design and construction of a commercial mixed-use building (the "Project") in West Perth, Western Australia. To fast-track the development, Distinct made a working capital facility ("Facility") of $750,000 available to the owner, 24 Prowse Street Pty Ltd, for the purposes of assisting with the property settlement, design consultants, development approvals, rates and taxes. The Facility is provided with an interest rate of 10% per annum payable to Distinct with a 36 months' maturity period. Mr Mark Dimasi is a director of 24 Prowse Street Pty Ltd.

Dimasi Family Trust

During the period, The Dimasi Family Trust, an entity related to Mr Mark Dimasi, was paid $23,715 in relation to provision of administrative services for the Group.

Weststar Precast Pte Ltd
On 24 April 2018, the Company entered into a Convertible Note agreement with WestStar Precast Pte Ltd, an entity associated with Mr Lay Ann Ong in satisfaction of an outstanding loan. The balance reflected will be extinguished on conversion of 20,000,000 Convertible Notes with each Convertible Note being convertible into one Share and one Option exercisable at $0.02 each on or before the date that is 18 months from the issue date of the Options.

As at 30 June 2018, the amount outstanding from the Company to Weststar Precast Pte Ltd was $162,669, excluding director's fees of $48,000.

(b) Outstanding balances with related parties

	2018 $	2017 $
WestStar Precast Pte Ltd	226,669	210,669
Regency Corporate Pty Ltd	101,796	3,146
Sanston Securities Australia Pty Ltd	-	2,122
Torre Corporate Pty Ltd	-	84
	328,465	**216,021**

19. Parent Entity Information

The following detailed information related to the parent entity, WestStar Industrial Limited, at 30 June 2018. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2018 $	2017 $
Current Assets	120,682	1,124,498
Non-current Assets	-	326,210
Total Assets	120,682	1,450,708
Current Liabilities	758,433	771,308
Non-current Liabilities	-	-
Total Liabilities	758,433	771,308
Contributed equity	30,038,944	28,104,069
Reserves	2,096,559	2,042,122
Accumulated Losses	(32,773,254)	(29,466,792)
Total Equity	637,751	679,400
Total Comprehensive Profit (Loss) For The Year	(3,306,462)	(4,997,851)

20. Auditor's Remuneration

The auditor of WestStar Industrial Limited is Criterion Audit Pty Ltd.

	2018 $	2017 $
Auditor of the Company		
Auditing or reviewing the financial report	34,000	22,000
	34,000	22,000

21. Issued Capital

(a) Issued and paid up capital

	2018 $	2017 $
Ordinary shares fully paid	10,162,478	8,284,978

(b) Movements in shares on issue

	Year to 30 June 2018	
	No.	**$**
Movements in ordinary shares on issue		
Opening balance	354,087,949	8,284,978
Details of the Company shares issued during the period:		
Shares issued for acquisition of SIMPEC (Note 6)	37,500,000	937,500
Placement to sophisticated investors (i)	66,666,667	940,000
	104,166,667	1,877,500
Closing balance	458,254,616	10,162,478

(i) On 12 June 2018, the Company announced that it had closed an oversubscribed placement to sophisticated and professional investors of 66,666,667 fully paid ordinary shares at a price of $0.015 per share. For every two (2) shares issued under the Placement, subscribers received one (1) free attaching listed option.

	Year to 30 June 2017	
	No.	**$**
Movements in ordinary shares on issue		
Opening balance	160	160
Exchange of Precast shares for WestStar opening balance of shares	(160)	-
The Company shares on issue at date of legal acquisition:		
Shares on issue at 30 June 2016	23,338,549	
Shares issued pre-acquisition (i)	65,120,000	-
Shares issued on conversion of convertible notes (ii)	26,629,400	-
Shares issued to corporate advisors of the transaction (iii)	4,000,000	
	119,087,949	-
Details of the Company shares issued during the period:		
Shares issued for the acquisition of Precast (iv)	80,000,000	6,186,343
Stage 1 Placement to sophisticated investors (v)	30,000,000	279,000
Stage 2 Placement to sophisticated investors (vi)	100,000,000	1,394,475
Shares issued to corporate advisors (vii)	25,000,000	425,000
	235,000,000	8,284,978
Shares issued	-	-
Closing balance	354,087,949	8,284,978

(i) On 6 July 2016, 65,120,000 shares were issued at $0.05 under the Prospectus issued in April 2016.

(ii) On 6 July 2016, 26,629,400 shares were issued as a result of the conversion of convertible notes.

(iii) On 6 July 2016, 4,000,000 shares were issued to corporate advisors of the transaction.

(iv) On 6 July 2016, 80,000,000 shares were issued to the vendors of Precast in exchange for 100% ownership of Precast.

(v) On 18 March 2017, 29,863,192 shares were issued to sophisticated and professional investors at a price of $0.01 per share. 136,808 shares which were part of this issuance were subsequently approved by shareholders for issue on 5 June 2017 for a total placement of 30,000,000 shares.

(vi) On 6 June 2017, 100,000,000 shares were issued to professional investors at a price of $0.015 per share.

(vii) On 6 June 2017, 25,000,000 shares were issued to corporate advisors to the Stage 1 and 2 placements.

(c) Share options

There are 20,000,000 unlisted options on issue at balance date, with an exercise price of $0.10 and an expiry three years from issue date exercisable by 6 July 2019.

There are 158,500,000 listed options on issue at balance date, with an exercise price of $0.02 and an expiry date of 6 December 2018. The number of listed options on issue as at the date of this report is 191,833,333 following approval of the issue of the free attaching options

(d) Performance shares

Performance Shares convert into Shares upon satisfaction of the following milestones (each, a **Milestone**):

- (**FY16 Tranche**): if Precast Australia Pty Ltd (**Precast**) achieves earnings before interest, tax, depreciation and amortisation (EBITDA) of at least $500,000 but less than $1 million during the financial year ending 30 June 2016 – then a total of 13.6 million Performance Shares will convert into Shares;
- (**FY17 Tranche**): if Precast achieves EBITDA of at least: (a) $1 million during the period 1 July 2016 to 30 June 2017; or (b) $1.5 million during the period 1 July 2015 to 30 June 2017 – then a total of 26.4 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche) will convert into Shares;
- (**FY18 Tranche**): if Precast achieves EBITDA of at least: (a) $1.5 million during the period 1 July 2017 to 30 June 2018; or (b) $3 million during the period 1 July 2015 to 30 June 2018 – then a total of 40 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche and the FY17 Tranche) will convert into Shares; and
- (**Bonus tranche**): if Precast achieves EBITDA during the period 1 July 2015 to 30 June 2018: (a) of greater than $3 million in aggregate, a total of 80 million Performance Shares (less the sum of any Shares which have already been converted into Shares during the period 1 July 2015 to 30 July 2018) will convert into Shares; or (b) of between $500,000 and $3 million, the number of Performance Shares determined in accordance with the following formula will convert into Shares:

A = ((B/C) x D) – E Where:
A = The number of Performance Shares to convert into Shares
B = EBITDA achieved in aggregate for period 1 July 2015 to 30 June 2018
C = $3,000,000
D = 80,000,000
E = Total number of Performance Shares already issued under the FY16 Tranche, the FY17 Tranche and the FY18 Tranche respectively.

To date, none of the milestones set out above have been met and none of the performance shares have been converted or cancelled. Under the terms of the Performance Shares, no conversion into Shares will occur if milestones are not achieved. Any Performance Share not converted into a Share by the expiry date of 29 December 2018 will be cancelled.

22. Reserves

The share based payment reserve is used to record the value of share based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	2018 $	2017 $
Share based payments reserve	821,045	766,608
	821,045	**766,608**

	2018 $	2017 $
Movement in reserves		
Share based payments reserve		
Opening balance	766,608	-
Options issued for the reverse acquisition of WestStar Industrial Limited	-	484,805
Options issued to Corporate Advisors	-	281,803
Recognition of share-based payments (i)	54,437	-
	821,045	**766,608**

(i) On 22 December 2017, 3,500,000 options were issued to consultants in return for services. The value of the options was determined based on the Black Scholes model using the following assumptions:

- Dividend yield % nil
- Expected volatility 163%
- Risk free interest rate 2.44%
- Expected life of options (years) 0.93
- Exercise price $0.02
- Grant date share price $0.025
- Fair value per option $0.0156

23. Share Based payments

During the year, the following share based payments were made and recognised in equity and the share based payments reserve.

	2018 $	2017 $
Grant of advisor shares (Note 21 (b) (vii))	-	425,000
Grant of advisor options (i)	-	281,803
	-	706,803
Grant of convertible notes (Note 16 (i))	-	333,431
	-	**1,040,234**

(i) On 6 June 2017, 25,000,000 options were issued to corporate advisors to the Stage 1 and 2 placements. The value of the options was determined based on the Black Scholes model using the following assumptions:

- Dividend yield % nil
- Expected volatility 163%
- Risk free interest rate 2.44%
- Expected life of options (years) 1.5
- Exercise price $0.02
- Grant date share price $0.017
- Fair value per option $0.0113

24. Reconciliation Of Loss Used In Calculating Loss Per Share:

	2018 $	2017 $
Loss attributable to owners of the Company	(3,067,725)	(6,578,668)
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares for the purposes of basic loss per share	375,859,927	215,527,286

Of the Company's options on issue, there were no in-the-money options as at 30 June 2018. Therefore no options have been included in the calculation of diluted earnings per share.

25. Contingent Liabilities & Commitments

Operating lease commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements and are payable:

	2018 $	2017 $
Within one year	445,908	445,908
After one year but not more than five years	185,795	631,703
	631,703	**1,077,611**

26. Investment in an Associate

The Group holds a 25% interest in Copper Range (SA) Pty Ltd via its subsidiary Icongold Pty Ltd. Copper Range was the holder of mining tenements in the prospective Olympic Domain district of South Australia. Due to the lack of recent exploration activity on these tenements, the carrying amount of this investment was historically reduced to nil. The Company is in discussions to divest or otherwise deal with its 25% interest in Copper Range Pty Ltd.

27. Financial Risk Management

Exposure to interest rate, liquidity and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments. The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives. The totals for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	2018 $	2017 $
Financial assets – Current		
Cash and cash equivalents	1,711,826	1,559,215
Trade and other receivables	1,982,368	726,711
Accrued income	306,672	218,823
	4,000,866	2,504,749
Financial assets – Non-Current		
Trade and other receivables	-	64,218
Investments	148,323	145,293
	148,323	209,511
Financial liabilities – Current		
Trade and other payables	4,597,801	1,908,362
Borrowings	785,461	565,442
	5,383,262	2,473,804

(a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing future capital needs include the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for the Group's capital needs. We expect that, absent a material adverse change in a combination of the Group's sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet the Group's expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables and short term borrowings. The following table discloses the contractual maturity analysis at the reporting date:

2018	6-12 months $	1 year or less $	Over 1 to 5 years $	More than 5 years $	Total $
Financial assets					
Cash and cash equivalents	1,711,826	-	-	-	1,711,826
Trade and other receivables	1,982,368	-	-	-	1,982,368
Investments	-	148,323	-	-	148,323
Accrued income	306,672	-	-	-	306,672
	4,000,866	148,323	-	-	4,149,189
Financial liabilities					
Trade and other payables	4,597,801	-	-	-	4,597,801
Borrowings	220,019	565,442	-	-	785,461
	4,817,820	565,442	-	-	5,383,262

2017	6-12 months $	1 year or less $	Over 1 to 5 years $	More than 5 years $	Total $
Financial assets					
Cash and cash equivalents	1,559,215	-	-	-	1,559,215
Trade and other receivables	685,275	64,218	-	-	749,492
Investments	145,293	-	-	-	145,293
Accrued income	218,823	-	-	-	218,823
	2,608,606	64,218	-	-	2,672,823
Financial liabilities					
Trade and other payables	1,908,362	-	-	-	1,908,362
Borrowings	-	565,442	-	-	565,442
	1,908,362	565,442	-	-	2,473,804

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. There is no material interest rate risk.

(c) Credit Risk Exposures

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

There is no concentration of credit risk with respect to current and non-current receivables as the Group has a number of large customers which are Australian listed as well as internationally dispersed. Group policy is that sales are only made to customers that are credit worthy. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group holds financial instruments with credit worthy third parties.

(d) Carrying Value of Financial Instruments

At 30 June 2018, the carrying value of all financial assets and liabilities is considered to approximate their fair values. The held for trading assets are recognised at fair value and have been classified as level 1 financial assets based on quoted prices in active markets. There were no transfers between levels during the year.

28. Company details

The registered office of the business is:

Suite 1, 437 Roberts Road, Subiaco WA 6008

The principal place of business is:

4 Beach Street, Kwinana Beach, WA 6171

29. Events after Reporting Date

There were no other matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2018.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of WestStar Industrial Limited, I state that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 13 to 39 are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the year ended on that date;

2. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

4. The remuneration disclosures included in pages 8 to 11 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2018, comply with section 300A of the Corporations Act 2001; and

5. The Directors have been given the declarations by the Chief Executive Officer (or equivalent) and Chief Financial Officer required by section 295A of the Corporations Act 2001.

On behalf of the Board

Bert Mondello
Director
Perth, Western Australia
30 September 2018

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

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SUBIACO WA 6008

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Independent Auditor's Report

To the Members of WestStar Industrial Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of WestStar Industrial Limited ("the Company") and Controlled Entitites ("the Consolidated Entity") , which comprises the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b).

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 2(a) to the annual report, which indicates that the Consolidated Entity incurred a net loss of $3,067,725 and as of that date, the Company had net operating cash outflows of $135,545. These conditions, along with other matters as set forth in Note 2(a), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and 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.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for Business Combination The acquisition of SIMPEC Pty Ltd as disclosed in Note 6 of the consolidated financial statements is a key audit matter due to the size of the acquisition (purchase consideration of $937,500) and complexities inherent in a business acquisition. Management has completed a process to allocate the purchase consideration to tangible assets, goodwill and separately identifiable intangible assets. This process involved estimation and judgement of future performance of the business and discount rates applied to future cash flows forecasted.	Procedures performed as part of our assessment of the transaction to determine if the appropriate accounting treatment was applied, included: • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Assessed the deemed consideration with the terms of the acquisition agreement; • Reviewed acquisition date balance sheet to acquisition agreement and underlying supporting documentation; • Assessed the fair value of assets and liabilities acquired to the fair value assessment conducted by management, which included an estimation of the fair value of intangibles recorded at the date of acquisition; • We assessed the appropriateness of the disclosures included in Note 6 to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

CRITERION AUDIT PTY LTD

CHRIS WATTS CA
Director

DATED at PERTH this 30th day of September 2018

ADDITIONAL ASX INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 31 August 2018.

	Ordinary Shares	
Distribution of Shareholders	**Number of Holders**	**Number of Shares**
1 – 1,000	679	244,911
1,001 – 5,000	320	807,216
5,001 – 10,000	87	655,986
10,001 – 100,000	263	10,885,756
100,001 – and over	228	483,160,747
Total	**1,577**	**495,754,616**

Assuming a price of $0.017 there were 1,175 holders of ordinary shares holding less than a marketable parcel.

On-Market Buy Back
There is no current on-market buy back.

Voting Rights
All fully paid ordinary shares carry one vote per share without restriction.

Unquoted Equity Securities
Unlisted Options:
The following options were on issue as at 31 August 2018:
5,000,000 Unlisted Options exercisable at $0.10 each on or before 06 July 2019

Holder Name	Holding	% IC
Passpa Pty Ltd <The PS Unit A/C>	5,000,000	100%

15,000,000 Unlisted Options subject to an escrow period of 24 months from the date of reinstatement. Exercisable at $0.10 each on or before 6 July 2019.

Holder Name	Holding	% IC
WestStar Precast Pte Ltd	15,000,000	100%

Performance Shares:
The following performance shares were on issue as at 31 August 2018:
20,000,000 Performance shares

Holder Name	Holding	% IC
Passpa Pty Ltd <The PS Unit A/C>	20,000,000	100%

60,000,000 Performance Shares subject to an escrow period of 24 months from the date of reinstatement of the Company's ordinary shares to quotation on ASX.

Holder Name	Holding	% IC
WestStar Precast Pte Ltd	60,000,000	100%

Substantial Shareholders as at 31 August 2018
The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial Shareholder	Holding	% held
Econ (WA) Pty Ltd <Rechichi Family A/C>	48,125,001	9.70%
Mr David Dimasi	37,500,000	7.56%

Restricted Securities as at 31 August 2018
75,000,000 Fully paid ordinary shares subject to an escrow period to 2 August 2019 of the Company's ordinary shares to quotation on ASX

Holder Name	Holding	% IC
Econ (WA) Pty Ltd <Rechichi Family A/C>	28,125,000	37.50%
David Dimasi <Investment Unit Trust A/C>	25,000,000	33.33%
David Dimasi <David Dimasi Family A/C>	12,500,000	16.67%
Mr Mark Dimasi & Mrs Julianne Dimasi <The Dimasi Family A/C>	9,375,000	12.50%
Total	**75,000,000**	**100.00%**

ADDITIONAL ASX INFORMATION

Top twenty shareholders of ordinary shares:

Position	Holder Name	Holding	% IC
1	WESTSTAR PRECAST PTE LTD	60,000,000	12.10%
2	ECON (WA) PTY LTD <RECHICHI FAMILY A/C>	28,125,000	5.67%
3	DAVID DIMASI <INVESTMENT UNIT TRUST A/C>	25,000,000	5.04%
4	ECON (WA) PTY LTD <RECHICHI FAMILY A/C>	20,000,001	4.03%
5	PASSPA PTY LTD <THE PS UNIT A/C>	20,000,000	4.03%
6	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	17,508,359	3.53%
7	MR DAMIEN TERENCE MICHAEL RHODES	16,666,667	3.36%
8	RIVERGRADE PTY LTD <RIVERGRADE A/C>	15,650,333	3.16%
9	TYRRHENIAN HOLDINGS PTY LTD <TYRRHENIAN A/C>	14,907,252	3.01%
10	LAY ANN ONG	14,343,686	2.89%
11	DAVID DIMASI <DAVID DIMASI FAMILY A/C>	12,500,000	2.52%
12	AXE INVESTMENTS PTY LTD <AXE INVESTMENT A/C>	10,000,000	2.02%
13	MR MARK DIMASI & MRS JULIANNE DIMASI <THE DIMASI FAMILY A/C>	9,375,000	1.89%
14	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	8,489,540	1.71%
15	ST KILDA LAND PTY LTD	8,000,000	1.61%
16	KIORAKU PTY LTD <KIORAKU A/C>	7,250,000	1.46%
17	CITICORP NOMINEES PTY LIMITED	7,210,796	1.45%
18	BOLT CONSULTING PTY LTD	7,051,447	1.42%
19	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	5,143,470	1.04%
20	MR JASON BRADLEY WHELAN	5,045,000	1.02%
	Total	**312,266,551**	**62.96%**
	Total Issued Capital	**495,754,616**	**100.00%**

Listed Options
In addition to its ordinary shares, the Company has 191,833,333 listed options on issue trading on the ASX as WSIO. The listed options do not carry voting rights

	Listed Options	
Distribution of Optionholders	**Number of Holders**	**Number of Options**
1 – 1,000	1	112
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	3	300,000
100,001 – and over	66	191,533,221
Total	**70**	**191,833,333**

Top twenty shareholders of listed options exercisable at $0.02 with an expiry of 6 December 2018:

Position	Holder Name	Holding	% IC
1	LTL CAPITAL PTY LTD	20,083,334	10.47%
2	TYRRHENIAN HOLDINGS PTY LTD <TYRRHENIAN A/C>	18,723,000	9.76%
3	KIORAKU PTY LTD <KIORAKU A/C>	12,250,000	6.39%
4	AXE INVESTMENTS PTY LTD <AXE INVESTMENT A/C>	10,000,000	5.21%
5	R-SQUARED PTY LTD	9,466,666	4.93%
6	RIVERGRADE PTY LTD <RIVERGRADE A/C>	8,983,667	4.68%
7	ECON (WA) PTY LTD <RECHICHI FAMILY A/C>	8,666,667	4.52%
8	MR DAMIEN TERENCE MICHAEL RHODES	8,333,333	4.34%
9	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	7,950,000	4.14%
10	LTL CAPITAL PTY LTD <LTL CAPITAL A/C>	7,666,666	4.00%
11	MR PAUL NATOLI & MRS RENAE NATOLI <BARABING FAMILY A/C>	5,766,667	3.01%
12	BOLT CONSULTING PTY LTD	4,733,334	2.47%
13	MR ILARIO DIMASI	3,333,333	1.74%
13	ON TIME TAXIS PTY LTD	3,333,333	1.74%
13	AGENS PTY LIMITED <THE MARK COLLINS FAMILY A/C>	3,333,333	1.74%
14	MR TYSON KANE SMITH	3,293,333	1.72%
15	MR ROBERT GEMELLI	3,258,221	1.70%
16	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	2,866,667	1.49%
17	RICHSHAM NOMINEES PTY LTD	2,700,000	1.41%
18	A & J TANNOUS NOMINEES PTY LTD <ASSAD TANNOUS A/C>	2,616,667	1.36%
19	PATH HOLDINGS PTY LTD	2,500,000	1.30%
20	CLEANWEST PROPERTY SERVICES PTY LTD	2,000,000	1.04%
	Total	**151,858,221**	**79.16%**
	Total Issued Capital	**191,833,333**	**100.00%**