



MADER GROUP LIMITED

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

ABN 51 159 340 397

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DIRECTORS' REPORT

Your directors submit the financial report for the half-year ended 31 December 2018.

Directors

The names of directors who held office during or since the end of the half-year:

Mr L.B Mader	Executive Director
Mr P.L Conway (Appointed 8 November 2018)	Chief Executive Officer and Executive Director
Mr C.Burton	Non-Executive director
Mr J.Walker (Appointed 29 October 2018)	Non-Executive director
Mr J.Nuich (Appointed 1 December 2018)	Non-Executive director

Review of Operations

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Operating Results

The profit of the company for the half-year after providing for income tax amounted to \$5,948 (2017 half-year : loss (\$1,862))

After Balance Date Events

There is no matter or circumstances that have arisen during or since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company within future financial years

Dividend

A dividend of \$4,000,000 was declared and paid during this half-year to Ordinary Shareholders (2017: \$3,000,000).

Rounding of Amounts

The company has applied the relief available to it in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2018.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director

Patrick Laurence Conway

Dated this 21st day of May 2019



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor for the review of Mader Group Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 21 May 2019

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	Half-year Ended 31 December 2018 \$	Half-year Ended 31 December 2017 \$
Other revenue	2	166,671	-
		<hr/> 166,671	<hr/> -
Administration expenses		(160,723)	(1,862)
Profit/(loss) before income tax	2	5,948	(1,862)
Income tax expense		-	-
Profit/(loss) for the period		5,948	(1,862)
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the period		5,948	(1,862)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	Consolidated Group	
		As at 31 December 2018	As at 30 June 2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		104,930	5,298
Financial assets	3	409,725	63,422
Trade and other receivables	4	30,262	-
Other current assets		214,948	-
Current tax assets		636	636
TOTAL CURRENT ASSETS		760,501	69,356
NON-CURRENT ASSETS			
Property, plant and equipment	5	562,075	-
Financial assets	3	4,806,707	9,442,789
Investments		181,970	530,653
Non-current tax assets		559	559
TOTAL NON-CURRENT ASSETS		5,551,311	9,974,001
TOTAL ASSETS		6,311,812	10,043,357
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	262,507	-
TOTAL CURRENT LIABILITIES		262,507	-
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		262,507	-
NET ASSETS		6,049,305	10,043,357
EQUITY			
Issued capital		43	43
Reserves		-	-
Retained earnings		6,049,262	10,043,314
TOTAL EQUITY		6,049,305	10,043,357

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

	Note	Ordinary Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2017		43	13,044,617	13,044,660
Comprehensive income				
Loss for the period		-	(1,862)	(1,862)
Other comprehensive income for the period		-	-	-
Total comprehensive income /(loss) for the period		-	(1,862)	(1,862)
Transactions with owners, in their capacity as owners, and other transfers				
Dividends paid for the period	6	-	(3,000,000)	(3,000,000)
Total transactions with owners and other transfers		-	(3,000,000)	(3,000,000)
Balance at 31 December 2017		43	10,042,755	10,042,798
Balance at 1 July 2018		43	10,043,314	10,043,357
Comprehensive income				
Profit for the period		-	5,948	5,948
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	5,948	5,948
Transactions with owners, in their capacity as owners, and other transfers		-		
Dividends paid for the period	6	-	(4,000,000)	(4,000,000)
Total transactions with owners and other transfers		-	(4,000,000)	(4,000,000)
Balance at 31 December 2018		43	6,049,262	6,049,305

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

	Half-year Ended 31 December 2018	Half-year Ended 31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	34,314
Payments to suppliers and employees	(74,645)	(1,790)
Interest received	-	-
Finance costs	-	-
Income tax paid	-	-
Net cash (used in)/generated by operating activities	(74,645)	32,524
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(567,434)	-
Proceeds from sale of shares in unlisted companies	900,000	-
Repayment of loans to related parties	4,226,357	3,131,001
Payments for shares in unlisted companies	(384,646)	(163,525)
Net cash (used in)/generated by investing activities	4,174,277	2,967,476
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) chattel mortgage borrowings (net)	-	-
Dividends paid to owners of the company	(4,000,000)	(3,000,000)
Net cash (used in)/generated by financing activities	(4,000,000)	(3,000,000)
 Net increase/(decrease) in cash held	 99,632	 -
Cash and cash equivalents at beginning of period	5,298	5,298
Foreign exchange translation	-	-
Cash and cash equivalents at end of period	104,930	5,298
 Analysis of bank balances of cash and cash equivalents:		
Cash at bank and in hand	104,930	5,298
 Cash and cash equivalents as stated in the statement of financial position:	 104,930	 5,298
Bank overdraft	-	-
Cash and cash equivalents as stated in the statement of cash flows	104,930	5,298

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mader Group Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the following half-year.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

The 30 June 2018 annual report disclosed that the Company anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2018. There were no new standards issued since 30 June 2018 that have been applied by the Company other than the following:

Adoption of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period resulting in the adoption of the following standards:

- (i) AASB 9 Financial Instruments

AASB 9 Financial Instruments – Impact of Adoption

The Group has adopted AASB 9 with a date of initial application of 1 July 2018 and has elected not to restate its comparatives. As a result, the Company has changed its accounting policy for financial instruments as detailed below.

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's trade and most other and loan receivables fall into this category of financial instruments.

The Company has determined that the application of AASB 9's requirements at transition 1 July 2018 did not result in a material adjustment

These interim financial statements were authorised for issue on 21st May 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 2: PROFIT FOR THE PERIOD

	Half-year Ended 31 December 2018	Half-year Ended 31 December 2017
	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Other revenue		
- Gain on disposal of Investment	166,671	-
Total other revenue	166,671	-
Expenses		
Depreciation of plant and equipment	5,359	-
Bank charges	3	-
IPO Costs	155,033	-

NOTE 3: FINANCIAL ASSETS

	31 December 2018	30 June 2018
	\$	\$
<i>Current</i>		
Loan – L & A Family Trust	409,725	-
Others	-	63,422
	409,725	63,422
<i>Non-Current</i>		
Loan – Mader Contracting	1,840,194	6,121,557
Loan – Mader Corporation	(134,843)	-
Loan – Mader Queensland	3,101,356	3,321,232
	4,806,707	9,442,789

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 December 2018	30 June 2018
	\$	\$
<i>Current</i>		
Trade receivables	30,262	-
	30,262	-

NOTE 5: PROPERTY PLANT AND EQUIPMENT

	31 December 2018	30 June 2018
	\$	\$
Office furniture and equipment at cost	104,438	-
Less accumulated depreciation	-	-
	104,438	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 5: PROPERTY PLANT AND EQUIPMENT

	31 December 2018	30 June 2018
	\$	\$
Buildings and property improvements at cost	402,829	-
Less accumulated depreciation	(4,105)	-
	<u>398,724</u>	<u>-</u>
Plant ,equipment and motor vehicles at cost	60,167	-
Less accumulated depreciation	(1,254)	-
	<u>58,913</u>	<u>-</u>
Total property plant and equipment	<u>562,075</u>	<u>-</u>

NOTE 6: TRADE AND OTHER PAYABLES

	31 December 2018	30 June 2018
	\$	\$
<i>Current</i>		
Trade Payables	780	-
Other payables and accrued expenses	261,727	-
	<u>262,507</u>	<u>-</u>

NOTE 7: DIVIDENDS

	31 December 2018	31 December 2017
	\$	\$
Dividends declared/paid	4,000,000	3,000,000

NOTE 8 COMMITMENTS AND CONTIGENCY

	31 December 2018	30 June 2018
	\$	\$
a. Operating Lease Commitments		
Non – cancellable operating leases contracted but not recognised in the financial statements:		
-No later than 12 months	-	
-Between 12 months and 5 years	700,000	
-Between 12 months and 5 years	587,500	-
	<u>1,287,500</u>	<u>-</u>

b. Capital Expenditure Commitments

There is no capital expenditure commitments as at 31 December 2018

c. Contingency

There is no contingent assets or liabilities as at 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 9 RELATED PARTY

There is no material change with related party from 30 June 2018 other than loan to related parties as disclosed in note 3.

NOTE 10 AFTER BALANCE DATE EVENTS

There is no matter or circumstances that have arisen during or since the end of the half-year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company within future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mader Group Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 13, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. 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.



Director

Patrick Laurence Conway

Dated this 21st day of May 2019



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mader Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mader Group Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

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

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in dark ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 21 May 2019