

LUNALITE INTERNATIONAL PTY LTD
A.B.N. 62 115 799 776

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012

LUNALITE INTERNATIONAL PTY LTD
A.B.N. 62 115 799 776

CONTENTS

Income Statement-Summary	1
Detailed Profit and Loss Statement	2
Balance Sheet	4
Notes to the Financial Statements	5
Directors' Declaration	9
Compilation Report	10
Letter of Acknowledgement	11

LUNALITE INTERNATIONAL PTY LTD
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue		154,200	613,725
Changes in inventories of finished goods and work in progress		(117,284)	(404,511)
Accountancy expenses		(3,468)	(525)
Advertising expenses		(3,099)	(80)
Depreciation and amortisation expenses		(23,953)	(12,999)
Employee benefits expenses		(76,744)	(119,039)
Other expenses		(91,705)	(114,460)
Loss for the year		(162,053)	(37,889)
Accumulated losses at the beginning of the financial year		(199,481)	(161,592)
Loss attributable to members of the company		<u>(361,534)</u>	<u>(199,481)</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of CONNOLLY & ASSOCIATES Accountants.

LUNALITE INTERNATIONAL PTY LTD
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
SALES		
Sales	<u>153,776</u>	<u>612,478</u>
LESS: MANUFACTURING COSTS		
Artwork/Graphics	1,111	22,941
Freight & Cartage	11,693	68,769
Subcontractors	40,968	26,284
Equipment Lease	6,370	15,287
Purchases	5,257	60,195
Purchases - Imports	<u>51,885</u>	<u>211,035</u>
	<u>117,284</u>	<u>404,511</u>
GROSS PROFIT FROM TRADING	<u>36,492</u>	<u>207,967</u>
OTHER INCOME		
Interest Received	<u>424</u>	<u>1,247</u>
	<u>36,916</u>	<u>209,214</u>

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LUNALITE INTERNATIONAL PTY LTD
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
EXPENSES		
Accountancy Fees	3,468	525
Advertising	3,099	80
Bank Charges	1,088	4,129
Bookkeeping Fees	2,118	5,600
Computer Expenses	472	1,893
Couriers	119	147
Depreciation	23,953	12,999
Entertainment Expenses	-	1,084
Filing Fees	227	496
Fines & Penalties	1,607	519
Fringe Benefits Tax	3,965	1,722
Insurance	3,825	11,399
Internet Expenses	1,455	1,863
Interest Paid	13,352	2,595
Legal Costs	1,200	-
Motor Vehicle Expenses	15,485	14,831
Parking & Tolls	1,480	576
Printing & Stationery	574	846
Rent	21,813	25,684
Repairs & Maintenance	1,496	9,036
Staff Amenities	771	826
Storage Fees	1,649	-
Subscriptions	19	-
Superannuation Contributions	6,273	9,298
Telephone	4,141	5,464
Travelling Expenses	15,620	26,576
Wages	69,700	108,915
	<u>198,969</u>	<u>247,103</u>
Loss before income tax	<u>(162,053)</u>	<u>(37,889)</u>
Income tax expense	-	-
Loss after income tax	<u><u>(162,053)</u></u>	<u><u>(37,889)</u></u>

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LUNALITE INTERNATIONAL PTY LTD
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BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	51,630	34,044
Trade and other receivables	3	35,490	107,466
TOTAL CURRENT ASSETS		<u>87,120</u>	<u>141,510</u>
NON-CURRENT ASSETS			
Financial assets	4	45,399	45,399
Property, plant and equipment	5	215,419	88,659
TOTAL NON-CURRENT ASSETS		<u>260,818</u>	<u>134,058</u>
TOTAL ASSETS		<u>347,938</u>	<u>275,568</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	45,894	131,241
Tax liabilities	7	-	(8,131)
TOTAL CURRENT LIABILITIES		<u>45,894</u>	<u>123,110</u>
TOTAL LIABILITIES		<u>45,894</u>	<u>123,110</u>
NET ASSETS		<u>302,044</u>	<u>152,458</u>
EQUITY			
Issued capital	8	663,578	351,940
Accumulated losses	9	(361,534)	(199,481)
TOTAL EQUITY		<u>302,044</u>	<u>152,459</u>
Balance Sheet is out of balance		-	(1)

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LUNALITE INTERNATIONAL PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1 Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

LUNALITE INTERNATIONAL PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

LUNALITE INTERNATIONAL PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2 Cash and Cash Equivalents		
Deposits	2,250	2,250
Westpac Business Cheque Plus Account	49,239	30,005
Macquarie Bank	141	1,789
	<u>51,630</u>	<u>34,044</u>
3 Trade and Other Receivables		
Current		
ATO - Integrated Client A/C	-	220
Trade Debtors	33,413	86,784
Loan - M Niutta	-	12,924
GST Payable	2,077	7,538
	<u>35,490</u>	<u>107,466</u>
The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
4 Financial Assets		
Non-Current		
Shares in Unlisted Companies	<u>45,399</u>	<u>45,399</u>
5 Property, Plant and Equipment		
Furniture & Fittings	3,157	3,157
Less: Accumulated Depreciation	<u>(1,708)</u>	<u>(1,365)</u>
	1,449	1,792
Office Equipment at Cost	256,579	105,866
Less: Accumulated Depreciation	<u>(49,967)</u>	<u>(26,357)</u>
	206,612	79,509
Demonstration Equipment	7,358	7,358
Total Plant and Equipment	<u>215,419</u>	<u>88,659</u>
Total Property, Plant and Equipment	<u>215,419</u>	<u>88,659</u>

LUNALITE INTERNATIONAL PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
6 Trade and Other Payables		
Current		
Convertible Notes	-	73,251
Westpac Visa Card Statement	19,651	13,681
Trade Creditors	17,970	32,664
FBT Payable	-	(1,788)
GST Payable	-	5,260
Payroll Liabilities	8,273	8,173
	<u>45,894</u>	<u>131,241</u>
7 Tax		
Liabilities		
Current		
Provision for Income Tax	<u>-</u>	<u>(8,131)</u>
8 Issued Capital		
Issued Capital	<u>663,578</u>	<u>351,940</u>
9 Accumulated Losses		
Accumulated losses at the beginning of the financial year	(199,481)	(161,592)
Net loss attributable to members of the company	(162,053)	(37,889)
Accumulated losses at the end of the financial year	<u>(361,534)</u>	<u>(199,481)</u>

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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Francis Shane Hurley

Director: _____
Mark Niutta

Dated this 23rd day of January 2013

**COMPILATION REPORT
TO LUNALITE INTERNATIONAL PTY LTD
A.B.N. 62 115 799 776**

I have compiled the accompanying special purpose financial statements of LUNALITE INTERNATIONAL PTY LTD A.B.N. 62 115 799 776 which comprise the balance sheet as at 30 June 2012, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which these special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the company that satisfies the information needs of the directors set out in Note 1.

The responsibility of directors

The directors are solely responsible for the information contained in the special purpose financial statement and has determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs.

My responsibility

On the basis of information provided by the directors, I have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

My procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, into a financial report. My procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were prepared exclusively for the directors. I do not accept responsibility to any other person for the content of the special purpose financial statements.

Name of Firm: CONNOLLY & ASSOCIATES
Chartered Accountants

Name of Director: _____
A R Connolly

Address: Level 1, 282 Rokeby Road, Subiaco

Dated this 23rd day of January 2013

LUNALITE INTERNATIONAL PTY LTD
A.B.N. 62 115 799 776

LETTER OF ACKNOWLEDGEMENT

To: Connolly & Assoc
Level 1, 282 Rokeby Road
SUBIACO WA 6008

The directors of the company acknowledge responsibility for the special purpose financial report for the period 30 June 2012 complied by your firm and confirm that:

- a) All material and relevant information has been provided to your firm;
- b) All underlying accounting data provided to your firm is complete and accurate;
- c) The financial reporting framework adopted and described in Note 1 is appropriate;
- d) The content and presentation of the financial report meets with our approval.

Director: _____
Francis Shane Hurley

Director: _____
Mark Niutta