

Biron Apparel Limited

ACN 009 087 469

Annual Financial Report

Year ended 30 June 2007

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Corporate Directory

Directors

Christopher Botica
Executive Chairman

Peter Anglidakos
Non-Executive Director

George Karafotias
Non-Executive Director

Secretary

George Karafotias

Notice of Annual General Meeting

The annual general meeting of Biron Apparel Limited will be held in July 2015

Principal Registered Office

Level 17, 449 St Kilda Road
Melbourne VIC 3004

Share Registry

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000
GPO Box 0182
Perth WA
Enquiries within Australia: 1300 55 70 10
Enquiries outside Australia: 61 8 9323 2000
Website: www.computershare.com

Auditor

Rothsay Chartered Accountants
Level 1 Lincoln House, 4 Ventnor Avenue
West Perth WA 6005

Bankers

Commonwealth Bank of Australia
499 St Kilda Road
Melbourne VIC 3004

Stock Exchange Listings

Biron Apparel Limited shares are suspended on the Australian Stock Exchange. ASX code-BIC

Directors Report

Directors

The following persons were directors of Biron Apparel Limited as of the date of this report:

Christopher Botica: *Appointed 8 June 2012*

Peter Angelakos: *Appointed 20 January 2010*

George Karafotias: *Appointed 20 January 2010*

Principal Activities

The company was placed in administration on the 14 July 2010 and entered into a Deed of Company Arrangement (DOCA) with creditors of the company in November 2010 and a subsequent deed of variation of the (DOCA) in 2014. As a consequence, the company has prepared this financial report to June 2007 as a nil report.

Dividends

No dividends have been paid during the year and the Directors have not recommended that any dividend be paid.

Review of Operations

There is no review of operations for the period 1 July 2006 to 30 June 2007.

Significant changes in the state of affairs

There are no significant changes in the state of affairs of the Company for the period 1 July 2006 to 30 June 2007 other than those mentioned in elsewhere in the report.

Matters subsequent to the end of the financial year

There are no matters subsequent to the end of the financial years of the Company for the period 1 July 2006 to 30 June 2007 other than those mentioned in elsewhere in the report.

Directors Report continued

Information on Directors

Christopher (Chris) Botica, Non-Executive Chairman

Experience and expertise:

Chris has over thirty years' professional experience encompassing project and construction management on major multi-disciplinary projects. He held the position of General Manager of Kinhill's Western Australian operations for five years and during that time was a member of the Executive Committee of the Kinhill Group, at the time Australia's largest engineering consulting organization (since taken over by KBR). Chris was also State Manager of PPK's consulting practice in Perth for 2 years. Since 1999, Chris has operated his own business, Botica and Associates Pty Ltd, providing specialist consulting services in civil engineering, infrastructure design solutions, project management, commercial development and contract management, primarily to large commercial enterprises, medium and heavy industry, regional and statutory water authorities, the WA Department of Water and the WA Water Corporation. Chris also facilitates industry and government forums in a variety of disciplines related largely to water sustainability, sourcing and management, as well as leading multi-disciplinary technical teams in developing water solutions for industrial and irrigation scheme water applications

Other current directorships:

Former directorships in last 3 years:

None

George Karafotias

Experience and expertise

Mr Karafotias is an accountant, holding a Bachelor of Commerce from the University of Adelaide. He has many years of experience as a business proprietor and has served as a director on the board of two other ASX-listed companies. In addition to his service as a director, Mr Karafotias also provides company secretarial services to another ASX-listed company. He also provides corporate advisory services to listed and unlisted companies, focusing on restructuring and refinancing. Mr Karafotias is currently serving on the board of Perpetual Resources Limited (Since 29 November 2011), and was a Director on ATECH Ltd (21/02/2011 to 08/08/2014) and Connexion Media Limited (04/03/2011 to 29/08/2014).

Other current directorships:

Central Kimberley Diamonds Limited
Perpetual Resources Limited

Former directorships in last 3 years:

ECSI Limited

Directors Report continued

Peter Angelakos, Non-executive Director

Experience and expertise:

Mr Angelakos is a Chartered accountant, holding a Bachelor of Economics. He has had a wide range of accounting and managerial roles in a diverse range of industries in Australia and abroad. Peter is experienced in IPO's and public company administration both with ASX and abroad markets. He also has experience in the due diligence process, takeovers, mergers and buyouts, and has wide experience in price negotiations and international banking.

Other current directorships:

Former directorships in last 3 years:

None

Company Secretary

George Karafotias

Meeting of Directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2007, and the numbers of meetings attended by each director were:

Full Meetings of Directors attended

| | |
|-------------------|-----|
| Chris Botica | Nil |
| George Karafotias | Nil |
| Peter Angelakos | Nil |

Directors Report continued

Remuneration report

There was no remuneration paid during the year ended 30 June 2007

Director Shareholding

| Name: | Number of Shares |
|--------------------|------------------|
| Christopher Botica | nil |
| Peter Angelakos | nil |
| George Karaotias | nil |

Loans to directors and executives

There were no loans to directors and executives during the financial year ended 30 June 2007.

Share options granted to directors and the most highly remunerated officers

No options were granted during or since the end of the year.

Shares under option

Unissued ordinary shares of Biron Apparel Limited under option at the date of this report are nil.

Shares issued on the exercise of options

No shares were issued during the year ended 30 June 2007 on the exercise of options. No further shares have been issued since that date.

Non-audit services

No amounts were paid for non-audit services during the year ended 30 June 2007

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 21

Auditor

Rothsay Chartered Accountants were appointed as auditors at the company's General Meeting held on the 27 January 2015.

This report is made in accordance with a resolution of directors

Mr George Karafotias

Director

2 June 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

| | Note | 2007 \$ | 2006 \$ |
|---|------|------------|------------|
| | | - | - |
| <i>Income (Loss) before income tax (expense)/benefit</i> | | - | - |
| Income tax (expense)/benefit | | - | - |
| <i>Net loss after related income tax (expense)/benefit</i> | 5 | - | - |
| <i>Other comprehensive income</i> | | | |
| <i>Other comprehensive income before income tax expense</i> | | - | - |
| Income tax expense | | - | - |
| <i>Other comprehensive income for period</i> | | - | - |
| <i>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</i> | | - | - |
| <i>Total comprehensive income attributable to members of Biron Apparel Limited</i> | | - | - |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

| | Note | 2007 \$ | 2006 \$ |
|--------------------------------------|------|--------------|--------------|
| <i>CURRENT ASSETS</i> | | | |
| TOTAL CURRENT ASSETS | | - | - |
| NON-CURRENT ASSETS | | - | - |
| TOTAL NON-CURRENT ASSETS | | - | - |
| <i>TOTAL ASSETS</i> | | - | - |
| CURRENT LIABILITIES | | | |
| TOTAL CURRENT LIABILITIES | | - | - |
| TOTAL NON-CURRENT LIABILITIES | | - | - |
| <i>TOTAL LIABILITIES</i> | | - | - |
| <i>NET ASSETS</i> | | - | - |
| <i>EQUITY</i> | | | |
| Issued capital | 4 | 24,169,000 | 24,169,000 |
| Accumulated losses | 5 | (24,169,000) | (24,169,000) |
| <i>TOTAL EQUITY</i> | | - | - |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

| | Equity | Accumulated losses | Total attributable to equity holders of the entity |
|--|-------------------|-----------------------|--|
| | \$ | \$ | \$ |
| Balance at 30 June 2007 | 24,169,000 | (24,169,000) | - |
| Income (Loss) for the year | - | - | - |
| Other comprehensive income/(loss) for year | - | - | - |
| Balance at 30 June 2008 | 24,169,000 | (24,169,000) | - |

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

| | Note | Company 2007 | 2006 |
|--|-------|-----------------|------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | - | - |
| Net cash used in operating activities | 9(b) | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | - | - |
| Net cash provided by/(used in) investing activities | | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | - | - |
| Net cash provided by/(used in) financing activities | | - | - |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | - | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 9 (a) | - | - |

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

NOTE

- | | |
|---|---|
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

This financial report includes the financial statements and notes of Biron Apparel Limited.

The financial report is a general purpose financial report which has been prepared in accordance with Generally Accepted Accounting Principles, International Financial Reporting Standards and the Corporations Act 2001.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Accounts Payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts, if any.

(d) Comparative Amounts

Where necessary, comparative amounts have been changed to reflect changes in disclosures in the current year.

(e) Financial Instruments issued by the company

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual agreement.

Interest

Interest is classified as an expense consistent with the statement of financial position classification of the related debt or equity instruments.

(f) Financial liabilities

The Company classifies its financial liabilities as measured at amortised cost. The Company does not use derivative financial instruments in economic hedges of currency or interest rate risk.

These financial liabilities include the following items:

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings from shareholders are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. These borrowings are non interest bearing liabilities which are subsequently measured at amortised cost using the effective interest rate method.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of Assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed. Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(i) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(j) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceeds recoverable amount. Recoverable amount is determined as the undiscounted amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the non-current assets.

(k) Revenue Recognition

Rendering of Services

Revenue from a contract to provide services is recognised on completion of the contract.

Interest Income

Interest income is recognised as it is accrued using the effective interest rate method.

Other Income

Other income is recognized as it is earned.

(l) Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments. The Company is not subject to any externally imposed capital requirements.

2. Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Credit Risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. There is negligible credit risk on financial assets of the Company since there is limited exposure to individual customers and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the balance sheet.

(b) Cash flow and fair value interest rate risk

The Company's interest-bearing assets comprise term deposits and tenement security deposits. The Company's income and operating cash flows are not materially exposed to changes in market interest rates.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to enable the company to operate as a going concern. The Board monitors liquidity on a monthly basis and management monitors liquidity on a daily basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. 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.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

The following critical estimates and judgments have been made in respect of the following items :

(a) Impairment of non-financial assets other than goodwill

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology, economic and political environments and future expectations. If an impairment trigger exists the recoverable amount of the asset is determined.

(b) Recovery of deferred tax assets

Deferred tax assets are not recognised for deductible temporary differences as management considers that it is not probable in the foreseeable future that future taxable profits will be available to utilise those temporary differences.

4. Share Capital

35,894,170 fully paid ordinary shares.

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

Movement in ordinary share capital of Biron Apparel Limited

| | 2007 | 2007 |
|------------------------------|------------------|-------------|
| | Number of Shares | \$ |
| Balance at beginning of year | 35,894,170 | 24,169,000 |
| Balance at end of year | 35,894,170 | 24,169,000 |

For the purposes of these disclosures, the Company considers its capital to comprise its ordinary share capital, and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Company considers to be capital since the previous period.

5. ACCUMULATED LOSSES

| | 2007 | 2006 |
|--|--------------|--------------|
| Balance at beginning of financial year | (24,169,000) | (24,169,000) |
| Net losses for year | - | - |
| Other comprehensive income/(loss) for year | - | - |
| Balance at end of financial year | (24,169,000) | (24,169,000) |

6. CONTINGENT LIABILITIES

There are no contingent liabilities.

7. ADDITIONAL COMPANY INFORMATION

Biron Apparal Limited is a Australian Public Company, and currently suspended on the Australian Securities Exchange.

8. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the related items in the statement of financial position as follows:

| | 2007 | 2006 |
|--------------------------|------|------|
| Cash at bank and on hand | - | - |

(b) Reconciliation of operating loss after income tax to net cash flows from operating activities

| | 2007 | 2006 |
|--|------|------|
| Operating loss after income | - | - |
| Non cash items included in profit and loss | - | - |
| Changes in assets and liabilities | - | - |
| Net cash used in operating activiites | - | - |

Directors Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the entity's financial position as at 30 June 2007 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Mr George Karafotias

Director

2 June 2015



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BIRON APPAREL LIMITED

Report on the financial report

We have audited the accompanying financial report of Biron Apparel Limited ("the Company") which comprises the statement of financial position as at 30 June 2007 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

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

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants



Audit opinion

In our opinion the financial report of Biron Apparel Limited is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Rothsay

Rothsay Chartered Accountants

GR Swan

Graham R Swan FCA
Partner

Dated *2 JUNE 2015*



Chartered Accountants