INDUCTOR TRUST (T/AS VELPIC)

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 APRIL 2015

CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2015

	10 Months 30-Apr-15	12 Months 30-Jun-14
	$	$
Revenue		
Revenue from continuing operations	163,197	330,158
Other Income	-	35
Expenses		
Production expense	(15,379)	(41,130)
Accounting expense	(1,080)	(2,890)
Administration expense	-	(7,923)
Doubtful debts	(5,000)	(4,000)
Employee benefits expense	(173,879)	(178,562)
Insurance expense	(747)	(1,624)
Interest expense	(78)	(156)
Legal expense	(3,180)	-
Management expense	(30,333)	(52,000)
Rent expense	(38,750)	(43,797)
Other expenses	(8,842)	(7,960)
Loss before income tax	**(114,071)**	**(9,849)**
Income tax expense	-	-
Loss after income tax	**(114,071)**	**(9,849)**
Other comprehensive income		
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive loss for the period	**(114,071)**	**(9,849)**

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2015

	30-Apr-15	30-Jun-14
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	26,235	12,934
Trade and other receivables	9,298	67,535
Work in progess	2,100	29,910
Total Current Assets	**37,633**	**110,379**
Non-Current Assets		
Intangible assets	-	2,362
Total Non-Current Assets	**-**	**2,362**
TOTAL ASSETS	**37,633**	**112,741**
LIABILITIES		
Current Liabilities		
Trade and other payables	103,316	30,222
Provisions	12,374	2,793
Total Current Liabilities	**115,690**	**33,015**
Non-Current Liabilities		
Borrowings	45,758	89,470
Total Non-Current Liabilities	**45,758**	**89,470**
TOTAL LIABILITIES	**161,448**	**122,485**
NET LIABILITIES	**(123,815)**	**(9,744)**
EQUITY		
Contributed equity	105	105
Accumulated losses	(123,920)	(9,849)
TOTAL DEFICIENCY IN EQUITY	**(123,815)**	**(9,744)**

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPERATION

(a) Statement of Compliance
The trustee has determined that the trust is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to unit holders and must not be used for any other purpose. The trustee has determined that the accounting policies adopted are appropriate to meet the needs of the unit holders.

(b) Basis of Measurement
The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent from the date of incorporation to 30 April 2015.

(c) Functional and Presentation Currency
The financial statements have been presented in Australian dollars, which is the trust's functional currency.

(d) 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 Taxation 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.

(e) Impairment
At the end of each reporting period, the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of 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.

(f) Revenue and Other Income
Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is recognised when the service is provided.

Interest
Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(g) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts.

(h) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor or default payments. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the entity elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the trustee, sufficient to require the derecognition of the original instrument.

(i) Work in progress

Work in progress is stated at the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amount is shown under Current Liabilities as Unearned Revenue.

Contract costs include all costs that relate directly to the specific contract, costs that are specifically chargeable to the customer under the terms of the contract.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the period end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) Borrowings

All loans and 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 loans and borrowings using the effective interest method.

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

(l) Employee Benefit Provisions

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(m) Contributed Equity

Units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds.

TRUSTEES' DECLARATION
FOR THE PERIOD ENDED 30 APRIL 2015

The trustee has determined that Velpic 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 trustee of the company declares that:

1) the financial statements and notes present fairly the Inductor Trust (T/As Velpic)'s financial position as at 30 April 2015 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 trustees' opinion there are reasonable grounds to believe that Velpic will be able to pay its debts as and when they become due and payable.

3) The financial statements and notes are in accordance with the Trust Deed.

RUSSELL FRANCIS

Director of the Inductor Pty Ltd (Trustee)
16 July 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the unit holders of the Inductor Trust (trading as Velpic)

Report on the Financial Statement

We have audited the accompanying financial statement of the Inductor Trust (trading as Velpic) which comprises the statement of profit or loss and other comprehensive income for the 10 month period ended 30 April 2015, other explanatory information, and the trustees' declaration (together 'the financial statement'). The financial statement has been prepared using the basis of preparation described In Note 1.

Trustees' Responsibility for the Financial Statement

The directors of The Inductor Pty Ltd, as trustee of the Inductor Trust, are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, profit or loss and other comprehensive income of the Inductor Trust (trading as Velpic) for the 10 month period ended 30 April 2015, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 16 July 2015

INDUCTOR TRUST (T/AS VELPIC)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	30-Jun-14	22-Aug-12 to 30-Jun-13
	$	$
Revenue		
Revenue from continuing operations	330,158	228,408
Other Income	35	12
Expenses		
Production expense	(41,130)	(11,711)
Accounting expense	(2,890)	(4,220)
Administration expense	(7,923)	-
Doubtful debts	(4,000)	(1,500)
Employee benefits expense	(178,562)	(119,744)
Insurance expense	(1,624)	(225)
Interest expense	(156)	(67)
Management expense	(52,000)	-
Rent expense	(43,797)	(14,312)
Other expenses	(7,960)	(673)
(Loss) / profit before income tax	**(9,849)**	**75,968**
Income tax expense	-	-
(Loss) / profit after income tax	**(9,849)**	**75,968**
Other comprehensive income		
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive (loss) / profit for the year	**(9,849)**	**75,968**

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	30-Jun-14	30-Jun-13
	$	$
ASSETS		
Current Assets		
Cash and cash equivalents	12,934	6,094
Trade and other receivables	67,535	122,422
Work in progess	29,910	-
Total Current Assets	**110,379**	**128,516**
Non-Current Assets		
Intangible assets	2,362	2,362
Total Non-Current Assets	**2,362**	**2,362**
TOTAL ASSETS	**112,741**	**130,878**
LIABILITIES		
Current Liabilities		
Trade and other payables	30,222	16,839
Provisions	2,793	5,475
Total Current Liabilities	**33,015**	**22,314**
Non-Current Liabilities		
Borrowings	89,470	108,464
Total Non-Current Liabilities	**89,470**	**108,464**
TOTAL LIABILITIES	**122,485**	**130,778**
NET (LIABILITIES) / ASSETS	**(9,744)**	**100**
EQUITY		
Contributed equity	105	100
Accumulated (losses) / profits	(9,849)	75,968
Distributions to beneficiaries	-	(75,968)
TOTAL DEFICIENCY IN EQUITY	**(9,744)**	**100**

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPERATION

(a) Statement of Compliance

The trustee has determined that the trust is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to unit holders and must not be used for any other purpose. The trustee has determined that the accounting policies adopted are appropriate to meet the needs of the unit holders.

(b) Basis of Measurement

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent from the date of incorporation to 30 June 2014.

(c) Functional and Presentation Currency

The financial statements have been presented in Australian dollars, which is the trust's functional currency.

(d) 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 Taxation 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.

(e) Impairment

At the end of each reporting period, the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of 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.

(f) Revenue and Other Income

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is recognised when the service is provided.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts.

(h) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor or default payments. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the entity elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the trustee, sufficient to require the derecognition of the original instrument.

(i) Work in progress

Work in progress is stated at the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amount is shown under Current Liabilities as Unearned Revenue.

Contract costs include all costs that relate directly to the specific contract, costs that are specifically chargeable to the customer under the terms of the contract.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) Borrowings

All loans and 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 loans and borrowings using the effective interest method.

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

(l) Employee Benefit Provisions

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(m) Contributed Equity

Units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds.

TRUSTEES' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014

The trustee has determined that Velpic 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 trustee of the company declares that:

1) the financial statements and notes present fairly the Inductor Trust (T/As Velpic)'s financial position as at 30 June 2014 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 trustees' opinion there are reasonable grounds to believe that Velpic will be able to pay its debts as and when they become due and payable.

3) The financial statements and notes are in accordance with the Trust Deed.

RFrancis.
RUSSELL FRANCIS

Director of the Inductor Pty Ltd (Trustee)
16 July 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the unit holders of the Inductor Trust (trading as Velpic)

Report on the Financial Statement

We have audited the accompanying financial statement of the Inductor Trust (trading as Velpic) which comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2014, other explanatory information, and the trustees' declaration (together 'the financial statement'). The financial statement has been prepared using the basis of preparation described In Note 1.

Trustees' Responsibility for the Financial Statement

The directors of The Inductor Pty Ltd, as trustee of the Inductor Trust, are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, profit or loss and other comprehensive income of the Inductor Trust (trading as Velpic) for the year ended 30 June 2014, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 16 July 2015

INDUCTOR TRUST (T/AS VELPIC)

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2013

CONTENTS

INDUCTOR TRUST (T/AS VELPIC)
FINANCIAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2013

	22-Aug-12 to 30-Jun-13
	$
Revenue	
Revenue from continuing operations	228,408
Other Income	12
Expenses	
Production expense	(11,711)
Accounting expense	(4,220)
Doubtful debts	(1,500)
Employee benefits expense	(119,744)
Insurance expense	(225)
Interest expense	(67)
Rent expense	(14,312)
Other expenses	(673)
Profit before income tax	**75,968**
Income tax expense	-
Profit after income tax	**75,968**
Other comprehensive income	
Other comprehensive income for the period, net of income tax	-
Total comprehensive profit for the period	**75,968**

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	30-Jun-13
	$
ASSETS	
Current Assets	
Cash and cash equivalents	6,094
Trade and other receivables	122,422
Total Current Assets	**128,516**
Non-Current Assets	
Intangible assets	2,362
Total Non-Current Assets	**2,362**
TOTAL ASSETS	**130,878**
LIABILITIES	
Current Liabilities	
Trade and other payables	16,839
Provisions	5,475
Total Current Liabilities	**22,314**
Non-Current Liabilities	
Borrowings	108,464
Total Non-Current Liabilities	**108,464**
TOTAL LIABILITIES	**130,778**
NET ASSETS	**100**
EQUITY	
Contributed equity	100
Accumulated profits	75,968
Distributions to beneficiaries	(75,968)
TOTAL DEFICIENCY IN EQUITY	**100**

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPERATION

(a) Statement of Compliance
The trustee has determined that the trust is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to unit holders and must not be used for any other purpose. The trustee has determined that the accounting policies adopted are appropriate to meet the needs of the unit holders.

(b) Basis of Measurement
The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent from the date of incorporation 22 August 2012 to 30 June 2013.

(c) Functional and Presentation Currency
The financial statements have been presented in Australian dollars, which is the trust's functional currency.

(d) 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 Taxation 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.

(e) Impairment
At the end of each reporting period, the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of 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.

(f) Revenue and Other Income
Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Revenue is recognised when the service is provided.

Interest
Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(g) Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts.

(h) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the entity will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor or default payments. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

From time to time, the entity elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the trustee, sufficient to require the derecognition of the original instrument.

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the period end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Borrowings

All loans and 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 loans and borrowings using the effective interest method.

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

(k) Employee Benefit Provisions

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(l) Contributed Equity

Units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds.

TRUSTEES' DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2013

The trustee have determined that Velpic 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 trustee of the company declares that:

1) the financial statements and notes present fairly the Inductor Trust (T/As Velpic)'s financial position as at 30 June 2013 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 trustees' opinion there are reasonable grounds to believe that Velpic will be able to pay its debts as and when they become due and payable; and

3) The financial statements and notes are in accordance with the Trust Deed.

RFrancis.

RUSSELL FRANCIS

Director of the Inductor Pty Ltd (Trustee)
16 July 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the unit holders of the Inductor Trust (trading as Velpic)

Report on the Financial Statement

We have audited the accompanying financial statement of the Inductor Trust (trading as Velpic) which comprises the statement of profit or loss and other comprehensive income for the period ended 30 June 2013, other explanatory information, and the trustees' declaration (together 'the financial statement'). The financial statement has been prepared using the basis of preparation described In Note 1.

Trustees' Responsibility for the Financial Statement

The directors of The Inductor Pty Ltd, as trustee of the Inductor Trust, are responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note 1, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, profit or loss and other comprehensive income of the Inductor Trust (trading as Velpic) for the period ended 30 June 2013, in accordance with the basis of preparation described in Note 1.

BDO Audit (WA) Pty Ltd

BDO

JPrue

Jarrad Prue

Director

Perth, 16 July 2015