Megastar Millionaire Pty Ltd

ACN 601 196 392

Financial Report for the Ten Months Period Ended 30 April 2015

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 April 2015

	2015
	$
Revenue	
Interest revenue	-
Other	-
Total revenue	-
Expenses	
Administration expenses	(623)
Consultants' fees	(9,873)
Director fees	(5,500)
Professional fees	(21,556)
Travel and marketing	(2,432)
Other expenses	(76)
Loss before income tax expense	**(40,060)**
Income tax expense	-
Loss from operations	**(40,060)**

BALANCE SHEET AS AT 30 April 2015

	Note	2015
		$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		793,315
Trade and other receivables		-
TOTAL CURRENT ASSETS		**793,315**
NON-CURRENT ASSETS		
Intangible assets	2	105,129
TOTAL NON-CURRENT ASSETS		**105,129**
TOTAL ASSETS		**898,444**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3	61,413
TOTAL CURRENT LIABILITIES		**61,413**
NON-CURRENT LIABILITIES		
Loan - Convertible Note Holders		800,000
TOTAL NON-CURRENT LIABILITIES		**800,000**
TOTAL LIABILITIES		**861,413**
NET ASSETS		**37,031**
EQUITY		
Issued capital:		
69,500,001 fully paid ordinary shares		77,091
Retained earnings	4	(40,060)
TOTAL EQUITY		**37,031**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

NOTE 1: SUMMARY 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 the statements are as follows:

a. **Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

b. **Property, Plant and Equipment**

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives on a straight-line basis. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rate used for each class of depreciable assets are as follows:

Class of Asset	**Depreciation Rate**
Plant and equipment	20% to 33%

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. Freehold land and buildings are carried at their recoverable amounts, based on periodic, but at least triennial, valuations by the directors. 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.

c. **Goodwill**

Goodwill is initially measured at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when the directors consider that there is objective evidence the business has been impaired. Impairment losses are calculated based on the directors' assessment of the business's recoverable amount. 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 amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

d. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

e. **Investments**

Investments include equity securities (ie shares) of listed and unlisted entities. The company recognises and measures these investments at cost less any accumulated impairment losses.

f. **Impairment of Assets**

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

g. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. They are recognised at their transaction price. Trade and other payables are subject to normal credit terms (30–60 days) and do not bear interest.

h. **Provisions**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

i. **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 borrowings in current liabilities on the balance sheet.

j. **Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

k. **Goods and Services Tax (GST)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 (ATO), in which case 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 stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2015

	2015
	$
NOTE 2: INTANGIBLE ASSETS	
Website development	32,638
Trademarks and setup costs	72,491
	105,129

NOTE 3: TRADE AND OTHER PAYABLES	
Trade payables	45,971
Accruals	15,442
GST paid	-
	61,413

NOTE 4: RETAINED EARNINGS

	2015
	$
Retained earnings (accumulated losses) at the beginning of the financial year	-
Net loss attributable to members of the company	(40,060)
Transfer to general reserve	-
Dividends paid	-
Retained earnings at the end of the financial year	(40,060)

NOTE 5: EVENTS AFTER THE BALANCE SHEET DATE

On 30 April 2015 Minerals Corporation Limited made an announcement that it had entered into a binding term sheet to acquire 100% of Megastar Millionaire Pty Ltd.

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, as set out on pages 1 to 6, present fairly the company's financial position as at 30 April 2015 and its performance for the period 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 ....

Adam Wellisch

Dated this 29 day of May 2015

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEGASTAR MILLIONAIRE PTY LTD

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Megastar Millionaire Pty Ltd, which comprises the balance sheet as at 30 April 2015, and the statement of profit or loss for the period then ended, a summary of significant accounting policies, other explanatory notes and the director's declaration.

The Responsibility of Director for the Financial Report

Director of the company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements and are appropriate to meet the needs of the members. Director is also responsible for such internal control as director determines is necessary to enable the preparation of a financial report 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 report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements, and that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free from 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report which gives a true and fair view, 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 made by 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

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Megastar Millionaire Pty Ltd as at 30 April 2015 and its performance for the period then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling director's financial reporting responsibilities under the company's constitution. As a result, the financial report may not be suitable for another purpose.

SHAKESPEARE PARTNERS
Chartered Accountants

Leigh-Anne Meyerowitz
Auditor Registration Number: 279757
29 May 2015

TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2015

	2015
	$
REVENUE	
Interest revenue	-
Other	-
Total Revenue	-
EXPENDITURE	
Bank charges	293
Consulting fees	9,873
Director fees	5,500
Internet	220
Legal costs	21,556
Postage	78
Telephone	39
Travel expenses	2,432
Website hosting	69
LOSS BEFORE INCOME TAX	(40,060)
Income tax expense	-
LOSS AFTER INCOME TAX	(40,060)