OCTIEF PTY LTD

(ACN 163 772 478)

FINANCIAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2014

OCTIEF PTY LTD
ACN 163 772 478

DIRECTORS' REPORT

The directors present the following report for the period ended 30 June 2014:

Directors

The following Directors held office continuously during and since the end of the financial year unless otherwise stated:

-- Kevin William Maloney
-- Darren Geoffrey Anderson

Principal Activities

The principal activity of the company was environmental and occupational compliance and the management of associated risks.

Review and Results of Operations

The profit after income tax of the company for the financial year was $1,414,897. This profit was realised from revenue of $4,874,188.

Dividends

The Directors paid a dividend of $648,682 during the current period.

Options

No options were granted during the financial year.

Indemnification and Insurance of Directors and Auditors

The parent entity of the Company - Integrated Holdings Group Pty Ltd - has paid a premium in respect of a contract insuring the Directors of the Company against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions.

Under the terms of the contracts, disclosure of the extent of cover and the amount of any premium is prohibited by a confidentiality clause.

During the financial year the Company did not provide indemnification or insurance to Auditors.

Likely Future Developments and Expected Results

Refer to Significant After Balance Date Events for detail of likely developments and expected results.

In the opinion of the Directors, disclosure of other information regarding likely developments in the operations of the company and the expected results of these operations in subsequent financial years would prejudice the interests of the company. Accordingly, this information has not been included in this report.

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DIRECTORS' REPORT (Cont'd)

Performance in Relation to Environmental Legislation

There have been no breaches of applicable environmental legislation during or since the financial year.

Significant Changes in the State of Affairs

OCTIEF Pty Ltd was registered on 15 May 2013. This is the first financial report for the company covering the period 15 May 2013 to 30 June 2014. As a result there are no comparatives disclosed.

On 7 June 2013 OCTIEF Pty Ltd acquired the assets and business of Octief Consulting & Laboratory Services Pty Ltd and commenced operating the trading business of OCTIEF.

There were no other significant changes in the state of affairs of the company during the period.

Significant After Balance Date Events

On 21 July 2014 the parent entity of OCTIEF PTY LTD signed a Share Sale Agreement (SSA) to sell 100% of OCTIEF Pty Ltd (OCTIEF) to Hot Rock Limited.

There are a number of conditions precedent that need to be met prior to the settlement of this transaction, including obtaining Hot Rock Limited shareholder approval.

There are no other significant matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

Proceedings on Behalf of the Company

No proceedings have been entered into on behalf of the company.

Auditor's Independence Declaration

The auditor's independence declaration is attached and forms part of this report.

Signed in accordance with a resolution of the directors.

Director

Dated this 5th day of August 2014.

OCTIEF PTY LTD

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DECLARATION BY DIRECTOR'S

The directors have determined that the company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the company declare that:

2. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes:

   (a) comply with Accounting Standards as described in Note 2 to the financial statements and the; and
   (b) give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

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 and is signed for and on behalf of the directors by:

Signed in accordance with a resolution of the Board of Directors

Director

Dated this 5th day of August 2014

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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY A S LOOTS TO THE DIRECTORS OF OCTIEF PTY LTD

As lead auditor of OCTIEF Pty Ltd for the period ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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

A S Loots
Director

BDO Audit Pty Ltd

Brisbane, 5 August 2014

OCTIEF PTY LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2014

	Notes	15 May 2013 - 30 June 2014 $
Revenue & other income	3	4,874,188
Employee benefits expense		(2,020,802)
Raw materials and consumables used		(286,221)
Depreciation and amortisation expense		(221,888)
Other expenses	4	(1,303,185)
Finance costs		(26,720)
Gain on loan forgiveness - Integrated Holdings Group Pty Ltd		670,068
Gain on bargain purchase	18	128,950
Gain/(loss) on sale of property plant and equipment		(6,443)
Profit (loss) before income tax	4	1,807,947
Income tax (expense)/ benefit	5	(393,050)
Profit (loss) for the period		1,414,897
Other comprehensive income		-
TOTAL COMPREHENSIVE INCOME		1,414,897

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

OCTIEF PTY LTD
ACN 163 772 478

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	2014 $
Current Assets		
Cash and cash equivalents	15	8,049
Trade and other receivables	6	659,049
Other assets	7	39,050
Total Current Assets		706,148
Non-Current Assets		
Property, plant and equipment	8	185,431
Intangibles	9	382,870
Deferred tax asset	5 (c)	52,016
Total Non-Current Assets		620,317
Total Assets		1,326,465
Current Liabilities		
Trade and other payables	10	513,129
Provisions	11	47,120
Total Current Liabilities		560,249
Total Liabilities		560,249
NET ASSETS		766,216
Equity		
Share capital	12	1
Retained profits		766,215
Total Equity		766,216

The above Statement of Financial Position should be read in conjunction with the attached notes.

OCTIEF PTY LTD
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STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2014

2014	Share Capital $	Retained Profits $	Total $
Balance at 15 May 2013	-	-	-
Profit for the period	-	1,414,897	1,414,897
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,414,897	1,414,897
Transactions with owners as their capacity as owners			
Issue of share capital	1	-	1
Dividends	-	(648,682)	(648,682)
	1	(648,682)	(648,681)
Balance at 30 June 2014	1	766,215	766,216

The above Statement of Changes in Equity should be read in conjunction with the attached notes.

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STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2014

	Notes	15 May 2013 - 30 June 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		4,901,211
Payments to suppliers and employees		(3,497,958)
Interest received		409
Interest and finance costs paid		(26,720)
Net cash inflow from operating activities	16 (i)	1,376,942
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment		(86,822)
Proceeds from the sale of property, plant and equipment		13,000
Payments for deposits		(38,600)
Loans to related parties		(1,237,000)
Net cash (outflow) from investing activities		(1,349,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares		1
Proceeds from borrowings		250,000
Repayment of borrowings		(250,000)
Finance lease payments		(19,472)
Net cash (outflow) from financing activities		(19,471)
Net movement in cash and cash equivalents		8,049
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	16	8,049

The above Statement of Cash Flows should be read in conjunction with the attached notes.

OCTIEF PTY LTD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

1. INTRODUCTION

OCTIEF Pty Ltd for the period ended 30 June 2014 is a proprietary company limited by shares and is incorporated and domiciled in Australia.

Operations and Principal Activities

The principal activity of the company was environmental and occupational compliance and the management of associated risks.

Currency

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

Registered Office

The registered office of OCTIEF Pty Ltd is situated at PwC, Level 15, 123 Eagle Street, Brisbane City, QLD 4000.

Authorisation of Financial Report

The financial report was authorised for issue by the directors on the 5th day of August 2014.

2. SUMMARY OF ACCOUNTING POLICIES

The company is not a reporting entity because, in the directors' opinion, there is unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs and these financial statements are therefore a "Special Purpose Financial Report" that has been prepared in accordance with the the accounting policies stated below.

The company has applied Accounting Standards AASB 101 "Presentation of financial statements", AASB 107 "Cash flow statements", and AASB 108 "Accounting policies, Changes in Accounting Estimates and Errors". No other Accounting Standards have mandatory applicability. The company has, however, adopted the recognition and measurement requirements of all Accounting Standards. Australian Accounting Standards include Australian Accounting Interpretations.

These accounting policies have been consistently applied and there have been no changes in accounting policy during the current financial year.

Historical Cost Convention

The Financial Report has been prepared under the historical cost convention.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(a) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses in the tax jurisdiction in which they arose.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation
Integrated Holding Group Pty Ltd is the parent of OCTIEF Pty Ltd. Integrated Holding Group Pty Ltd and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Integrated Holding Group Pty Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Integrated Holding Group Pty Ltd also recognises the current tax liabilities or assets and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(b) Revenue Recognition (cont'd)

Revenue is recognised for the major business activities as follows:

Rendering of Services
Revenue from the provision of services is recognised on an accruals basis in the period in which the service is provided. Revenue from the provision of these services is calculated with reference to the professional staff hours incurred on each client assignment adjusted for any time that may not be recoverable.

Interest Income
Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

(c) Impairment of Assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(d) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(e) Property, Plant and Equipment
Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life to the consolidated entity, or in case of lease hold improvements, the shorter lease term. Estimates of remaining useful lives are made on a regular basis for all assets. The estimated useful lives are as follows:

Building & Improvements	10 - 15 years
Motor Vehicles	4 years
Office Furniture	5 years
Plant and Equipment	3 - 4 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in profit or loss.

(f) Intangible Assets

i) Customer contracts
Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which currently vary from 1 to 3 years.

ii) Licenses and accreditations
Licenses and accreditations acquired as part of a business combination are recognised separately from goodwill. The Licenses and accreditations are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which currently vary from 3 to 5 years.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(g) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity.

A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(h) Translation of Foreign Currency Items

Transactions in foreign currencies are initially measured and brought to account at the rate of exchange in effect at the date of each transaction.

Foreign currency monetary items outstanding at balance date have been translated at the spot rates current at balance date.

Exchange differences relating to monetary items have been brought to account in the statement of profit or loss and other comprehensive income in the financial year in which the exchange rates change as exchange gains or losses.

(i) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in other expenses in profit or loss. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Work in Progress

Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress at balance date. Work in progress is valued at net realisable value after providing for any foreseeable losses.

(k) Leases

Leases of property, plant and equipment, where the company as lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight line basis over the period of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight line basis over the lease term.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(l) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the company.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the company's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Borrowings

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 borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(o) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(p) Employee Benefits

i) Short term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and long service leave is recognised in the provision for employee benefits.

Other long-term employee benefit obligations
The liability for long service leave and other benefits which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

ii) Bonus plans
The company recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.
Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

iii) Superannuation
The company has a defined contribution superannuation plan for its eligible employees. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) Value Added Taxes (including Goods and Services Tax)

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT), except where the amount of VAT is not recoverable from the relevant tax authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of the item as expense.

Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the statement of financial position.
Cash flows are presented on a gross basis. The VAT components of the cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

(r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings per share

i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share
Dilutive earnings per share adjusts the figures used in determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(t) Critical Accounting Estimates and Significant Judgments

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies.

There were no critical accounting estimates or judgements made in the process of applying the entity's accounting policies that in management's assessment can significantly affect the amounts recognised in the financial statements.

u) New Accounting Standards Adopted

New and revised standards have been issued by the Australian Accounting Standard Board during the year; however there are no material changes to the policies that affect measurement of the results or financial position of the company.

v) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The company has decided against early adoption of these standards. The company's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2017. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The company does not expect any material impacts when the standard is adopted.

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ACN 163 772 478

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

		2014 $
3.	**REVENUE**	
	Environmental consulting services	4,641,222
	Other services	230,178
		4,871,400
	Other Revenue & Income	
	Interest	409
	Other	2,379
		2,788
	Revenue & Income from Continuing Activities	4,874,188
4.	**ITEMS INCLUDED IN PROFIT/ (LOSS) BEFORE INCOME TAX**	
	Additional information on the nature of expenses:	
	Rental expense	206,013
	Legal settlement costs	283,113
	Transaction costs on business combination	126,440
	Impairment of trade and other receivables	6,969
	Insurance expense	101,577
	Motor vehicle expenses	92,436

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

			2014 $
5.	**INCOME TAX**		
	(a) Income Tax Expense / (Benefit)		
	Current Tax		500,330
	Deferred Tax		(107,280)
			393,050
	Deferred income tax expense/(benefit) comprises		
	Decrease/ (Increase) in Deferred Tax Asset		(60,545)
	Increase/ (Decrease) in Deferred Tax Liability		(46,735)
			(107,280)
	(b) Reconciliation of Income Tax Expense to prima facie Tax Payable		
	Profit before tax		1,807,947
	Prima facie tax at 30%		542,384
	Tax effect of non-deductibles/ (non-taxables)		
	Entertainment expenses		2,939
	Transaction costs		37,933
	Related party loan forgiveness		(201,021)
	Gain on bargain purchase		(38,685)
	Settlement payment		49,500
			393,050
	(c) Net Deferred Tax Asset/ (Liability)		
	Customer contracts		1,499
	Licenses and accreditations		(7,567)
	Other intangibles		(902)
	Superannuation payable		11,832
	Accrued leave		14,136
	Bonus accrual		31,200
	Other		1,818
			52,016
	(d) Movements in Deferred Tax Assets/ (Liabilities)		
	Opening balance at 15 May 2013	18 (a)	(55,264)
	Movement in deferred tax assets		60,545
	Movement in deferred tax liabilities		46,735
	Closing balance at 30 June		52,016
6.	**TRADE AND OTHER RECEIVABLES (CURRENT)**		
	Trade accounts receivable		523,481
	Accrued income		135,540
	Allowance for impairment of trade account receivables		-
			659,021
	Other Debtors		28
			659,049

OCTIEF PTY LTD
ACN 163 772 478

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

		2014 $
7.	**OTHER CURRENT ASSETS**	
	Prepayments	200
	Deposits	38,850
		39,050
8.	**PROPERTY, PLANT AND EQUIPMENT**	
	Buildings & improvements - at cost	2,525
	Accumulated Depreciation	(212)
		2,313
	Motor vehicles - at cost	166,915
	Accumulated Depreciation	(39,964)
		126,951
	Office furniture - at cost	38,970
	Accumulated Depreciation	(7,929)
		31,041
	Plant & equipment - at cost	35,883
	Accumulated Depreciation	(10,757)
		25,126
	Total property, plant and equipment- at cost	244,293
	Accumulated Depreciation	(58,862)
	Net Carrying Amount	185,431

Reconciliation to carrying amount

2014	**Building & Improvements** $	**Motor Vehicles** $	**Office Furniture** $	**Plant and Equipment** $	**Total** $
Opening written down value	-	-	-	-	-
Additions - business combination	-	137,845	16,537	32,789	187,171
Additions at cost	2,525	50,559	22,433	11,305	86,822
Disposals at written down value	-	(19,443)	-	(8,211)	(27,654)
Depreciation Expense	(212)	(42,010)	(7,929)	(10,757)	(60,908)
Closing written down value	2,313	126,951	31,041	25,126	185,431

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

	2014 $
9. INTANGIBLES	
Customer contracts - at cost	320,000
Accumulated Depreciation	(113,388)
	206,612
Licenses and accreditations - at cost	200,000
Accumulated Depreciation	(42,521)
	157,479
Other intangibles	23,850
Accumulated Depreciation	(5,071)
	18,779
Total intangibles - at cost	543,850
Accumulated Depreciation	(160,980)
Net Carrying Amount	382,870

Reconciliation to carrying amount

2014	Customer Contracts $	Licenses and Accreditations $	Other Intangibles $	Total $
Opening written down value	-	-	-	-
Additions - business combinations	320,000	200,000	23,850	543,850
Additions at cost	-	-	-	-
Disposals at written down value	-	-	-	-
Amortisation Expense	(113,388)	(42,521)	(5,071)	(160,980)
Closing written down value	206,612	157,479	18,779	382,870

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

	2014 $

10. TRADE AND OTHER PAYABLES (CURRENT)

	2014 $
Trade payables	87,704
Other payables	321,425
Bonus accrual	104,000
	513,129

11. PROVISIONS

	2014 $
Current	
Employee benefits	47,120

12. SHARE CAPITAL

	2014 $
Share Capital - 1 ordinary share	1

All ordinary shares are fully paid and participate equally with respect to dividends and any surplus assets in the event of the company being wound up.

Capital Management
When managing capital, being share capital and retained profits/(accumulated losses) management's objective is to ensure that the Company continues as a going concern while maximising returns to shareholders.

The Company is not subject to any externally imposed capital requirements.

13. AUDITORS' REMUNERATION

Amounts received, or due and receivable, by the auditor of the company for:

	2014 $
Auditing the financial report	20,000
Assistance with preparation of financial report	2,500
	22,500

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

14. DIVIDENDS

	2014 $
Un-franked dividends	648,682

OCTIEF Pty Ltd is a member of a tax consolidated group and does not have a franking account.

15. COMMITMENTS FOR EXPENDITURE

Future minimum lease payments on operating leases	
not later than one year	150,955
later than one year but not later than 5 years	364,305
	515,260

16. NOTES TO THE STATEMENT OF CASH FLOWS

	2014 $
Cash on hand	311
Cash at bank	7,738
	8,049

(i) Reconciliation of net cash provided by operating activities to profit (loss) after income tax:

Profit (loss) after income tax	1,414,897
Depreciation & amortisation	221,888
Loss on sale of plant and equipment	6,443
Gain on bargain purchase	(128,950)
Movements in operating assets and liabilities:	
- trade accounts receivable	(456,708)
- accrued income	(135,540)
- other assets	(450)
- trade accounts payable	87,704
- employee benefit provisions	(688)
- tax liabilities	(107,280)
- other payables	475,626
Net cash inflow from operating activities	1,376,942

17. SUBSEQUENT EVENTS

On 21 July 2014 the parent entity of OCTIEF PTY LTD signed a Share Sale Agreement (SSA) to sell 100% of OCTIEF Pty Ltd (OCTIEF) to Hot Rock Limited.

There are a number of conditions precedent that need to be met prior to the settlement of this transaction, including obtaining Hot Rock Limited shareholder approval.

There are no other significant matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future financial years.

18. BUSINESS COMBINATION

(a) Summary of acquisition
On 7 June 2013 OCTIEF Pty Ltd acquired the assets and business of Octief Consulting & Labratory Services Pty Ltd, an environmental consulting business.

Details of the purchase consideration, the net assets acquired and discount on acquisition are as follows:

	2014 $
Purchase Consideration	
Payable to Integrated Holdings Group Pty Ltd	553,327
Total purchase consideration	553,327

The assets and liabilities recognised as a result of the acquisition are as follows:

Plant & equipment	187,171
Rental bond	7,000
Intangible assets - customer contracts	320,000
Intangible assets - licenses and accreditations	200,000
Intangible assets - other	23,850
Accrued income	66,800
Lease liabilities	(19,472)
Annual leave liability	(47,808)
Deferred tax liability	(55,264)
Net identifiable assets acquired	682,277
Purchase consideration (per above)	553,327
Gain on bargain purchase	128,950

(b) Revenue and profit contribution
The acquired business contributed revenues of $4,874,188 and net profit of $1,807,947 to the group for the period from 7 June 2013 to 30 June 2014.

As the acquisition occurred less than 1 month after OCTIEF Pty Ltd was registered the difference between the revenue and profit that would have been recognised had the acquisition occurred on 15 May 2013 is considered immaterial.

(c) Purchase consideration - cash outflow
The acquisition was funded through a loan from OCTIEF Pty Ltd's parent entity - Integrated Holdings Group Pty Ltd on behalf of OCTIEF Pty Ltd. As a result there was no cash outflow associated with the purchase of the business.

No cash was acquired in the acquisition.

(d) Acquisition-related costs
Acquisition-related costs of $126,440 are included in other expenses in profit or loss. These amounts were paid for by OCTIEF Pty Ltd's parent entity - Integrated Holdings Group Pty Ltd on behalf of OCTIEF Pty Ltd. As a result there was no cash outflow associated with these payments.

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INDEPENDENT AUDITOR'S REPORT

To the members of OCTIEF Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report of OCTIEF Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the financial reporting requirements of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation 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 have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 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, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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 company's internal control. 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

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

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of OCTIEF Pty Ltd as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd

BDO

A S Loots

Director

Brisbane, 5 August 2014