PRECISE CONSULTING AND LABORATORY LIMITED

FINANCIAL REPORT

FOR THE PERIOD ENDED 31 OCTOBER 2014

PRECISE CONSULTING AND LABORATORY LIMITED

DIRECTORS' REPORT

The directors present the following report for the period ended 31 October 2014:

Directors

The following Director held office continuously during and since the end of the period unless otherwise stated:

Andre Halkyard

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 period was $717,771 (2014: $91,684). This profit was realised from revenue of $1,805,710 (2014: $647,258).

Dividends

No dividends were declared or paid during the period.

Options

No options were granted during the period.

Indemnification and Insurance of Directors and Auditors

The company has not 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.

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

Likely Future Developments and Expected Results

The company intends to continue with its principal activity.

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.

PRECISE CONSULTING AND LABORATORY LIMITED

DIRECTORS' REPORT (Cont'd)

Performance in Relation to Environmental Legislation

There have been no breaches of applicable environmental legislation during or since the end of the period.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the company have occurred during the period.

Significant After Balance Date Events

There are no significant matters or circumstances that have arisen since the end of the period 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.

L Halkyard

Director

Dated this 22nd day of December 2014.

PRECISE CONSULTING AND LABORATORY LIMITED

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 31 October 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

A. Halbkyzl

Director

Dated this 22nd day of December 2014

PRECISE CONSULTING AND LABORATORY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 OCTOBER 2014

	Notes	1 April 2014 31 October 2014 $	31 March 2014 $
Revenue & other income	3	1,805,710	647,258
Employee benefits expense		(466,375)	(326,229)
Depreciation expense		(18,795)	(4,742)
Other expenses	4	(308,548)	(185,883)
Finance costs		(1,424)	(1,095)
Gain/(loss) on foreign exchange		(2,975)	(516)
Profit before income tax	4	1,007,593	128,793
Income tax expense	5	(289,822)	(37,109)
Profit for the period		717,771	91,684
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		717,771	91,684

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

PRECISE CONSULTING AND LABORATORY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2014

	Notes	31 October 2014 $	31 March 2014 $
Current Assets			
Cash and cash equivalents	13	312,050	185,075
Trade and other receivables	6	372,355	257,437
Shareholders loan		482,157	-
Total Current Assets		1,166,562	442,512
Non-Current Assets			
Property, plant and equipment	7	101,765	50,995
Total Non-Current Assets		101,765	50,995
Total Assets		1,268,327	493,507
Current Liabilities			
Bank overdraft		744	4,132
Trade and other payables	8	70,672	49,151
GST Payable		144,162	69,571
Current tax liabilities	5	219,378	37,087
Provisions	9	23,816	-
Shareholders loan		-	241,782
Total Current Liabilities		458,772	401,723
Total Liabilities		458,772	401,723
NET ASSETS		809,555	91,784
Equity			
Share capital	10	100	100
Retained profits		809,455	91,684
Total Equity		809,555	91,784

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

PRECISE CONSULTING AND LABORATORY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 OCTOBER 2014

2014	Share Capital $	Retained Profits $	Total $
Balance at 1 April 2014	100	91,684	91,784
Profit for the period	-	717,771	717,771
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	100	809,455	809,555
Transactions with owners as their capacity as owners			
Issue of share capital	-	-	-
	-	-	-
Balance at 31 October 2014	100	809,455	809,555

2014	Share Capital $	Retained Profits $	Total $
Balance at 1 April 2013	-	-	-
Profit for the period	-	91,684	91,684
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	91,684	91,684
Transactions with owners as their capacity as owners			
Issue of share capital	100	-	100
	100	-	100
Balance at 31 March 2014	100	91,684	91,784

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

PRECISE CONSULTING AND LABORATORY LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 OCTOBER 2014

	Notes	1 April 2014 - 31 October 2014 $	31 March 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,946,628	439,810
Payments to suppliers and employees		(1,006,975)	(437,302)
Interest received		8,265	67
Interest and finance costs paid		(16,141)	(7,776)
Net cash inflow from operating activities	13 (i)	931,777	(5,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(77,481)	(55,738)
Loans to related parties		(482,153)	
Net cash (outflow) from investing activities		(559,634)	(55,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		-	100
Proceeds/(Repayment) from borrowings		(241,782)	241,782
Net cash (outflow) from financing activities		(241,782)	241,882
Net movement in cash and cash equivalents		130,361	180,943
Cash and cash equivalents at the beginning of the period		180,943	-
Cash and cash equivalents at the end of the period	13	311,304	180,943

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

PRECISE CONSULTING AND LABORATORY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2014

1. INTRODUCTION

Precise Consulting and Laboratory Limited for the period ended 31 October 2014 is incorporated and domiciled in New Zealand. The company is incorporated and domiciled in New Zealand.

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 New Zealand dollars and amounts are rounded to the nearest dollar.

Registered Office

The registered office of Precise Consulting and Laboratory Limited is situated at 335 Lincoln Road, Addington, Christchurch, New Zealand.

Authorisation of Financial Report

The financial report was authorised for issue by the directors on the 22nd day of December 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 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.

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 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 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.

(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.

PRECISE CONSULTING AND LABORATORY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2014

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.

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

(c) Impairment of Assets

Assets including property, plant and equipment, trade and other receivables and all other assets subject to amortisation and depreciation are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be receivable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

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 the 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 flows (cash-generating units).

(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 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 company, 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 depreciation rates are as follows:

Laboratory equipment	13 - 40% DV
Computer equipment	25 - 50% DV
Office Furniture	16 - 67% DV

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

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(f) 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.

(g) 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.

(h) 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.

(i) 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)

(j) **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.

(k) **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.

(l) **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.

(m) **Employee Benefits**

Liabilities for wages and salaries, including non-monetary benefits and annual 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 is recognised in the provision for employee benefits.

(n) **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the relevant tax authority. In these circumstances the GST 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 GST included. The net amount of GST 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 GST 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.

(o) **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.

2. SUMMARY OF ACCOUNTING POLICIES (Cont'd)

(p) 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.

(q) Critical Accounting Estimates and Significant Judgments

The preparation of the financial report in conformity with 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 company's accounting policies that in management's assessment can significantly affect the amounts recognised in the financial statements.

(r) New Accounting Standards Adopted

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

(s) New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2014 reporting periods. The company has decided against early adoption of these standards.

The company has not yet assessed the impact of these standards.

	1 April 2014 to 31 October 2014	31 March 2014
	$	$
3. REVENUE		
Environmental consulting services	1,797,445	647,191
Other Income		
Interest	8,265	67
Total	1,805,710	647,258

4. ITEMS INCLUDED IN PROFIT BEFORE INCOME TAX

Additional information on the nature of expenses:

Rental expense	20,952	23,497
Insurance expense	13,837	9,236
Motor vehicle leasing expenses	14,717	6,681

PRECISE CONSULTING AND LABORATORY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2014

		1 April 2014 to 31 October 2014 $	31 March 2014
5.	TAXATION		
	Net Profit for the year	1,007,593	128,793
	Add		
	Non-Taxable Capital Gain	-	-
	Non-Deductible Entertainment	-	3,517
	Annual Leave Provision	23,816	-
	IRD Penalties	-	221
	Taxable Surplus (Deficit)	1,031,409	132,531
	Opening Taxation Balance	37,087	-
	Add		
	Taxation expense for the period	289,822	37,109
	Less		
	Taxation paid to IRD	(107,145)	-
	Resident Withholding Tax	(386)	(22)
	Tax Payable (Refund)	219,378	37,087
	Imputation Credit Account		
	Opening Balance	(22)	-
	Income Tax Paid	(107,145)	-
	Resident Withholding tax paid	(386)	(22)
	Balance at end of period	(107,553)	(22)
6.	TRADE RECEIVABLES (CURRENT)		
	Trade accounts receivable	372,355	257,435
		372,355	257,435

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2014

7. PROPERTY, PLANT AND EQUIPMENT

	31 October 2014 $	31 March 2014 $
Laboratory equipment - at cost	49,728	37,898
Accumulated Depreciation	(9,107)	(3,793)
	40,621	34,105
Office equipment - at cost	14,861	12,190
Accumulated Depreciation	(2,749)	(500)
	12,112	11,690
Computer equipment - at cost	60,147	5,650
Accumulated Depreciation	(11,115)	(449)
	49,032	5,201
Total property, plant and equipment- at cost	124,736	55,738
Accumulated Depreciation	(22,971)	(4,742)
Net Carrying Amount	101,765	50,996

Reconciliation to carrying amount

2014	Laboratory equipment $	Office equipment $	Computer equipment $	Total $
Opening written down value	-	-	-	-
Additions at cost	37,898	12,190	5,650	55,738
Disposals at written down value	-	-	-	-
Depreciation Expense	(3,793)	(500)	(449)	(4,742)
Closing written down value	34,105	11,690	5,201	50,996

2013	Laboratory equipment $	Office equipment $	Computer equipment $	Total $
Opening written down value	34,105	11,690	5,201	50,996
Additions at cost	20,313	2,671	54,497	77,481
Disposals at written down value	(7,917)	-	-	(7,917)
Depreciation Expense	(5,880)	(2,249)	(10,666)	(18,795)
Closing written down value	40,621	12,112	49,032	101,765

PRECISE CONSULTING AND LABORATORY LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 OCTOBER 2014

		2014 $	
8.	**TRADE AND OTHER PAYABLES (CURRENT)**		
	Trade payables	65,531	42,819
	Other payables	5,141	6,332
		70,672	49,151
9.	**PROVISIONS**		
	Current		
	Employee benefits	23,816	-
10.	**SHARE CAPITAL**		
	Share Capital - 100 ordinary share	100	100

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 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.

11. **AUDITORS' REMUNERATION**

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

Auditing the financial report	15,000	-
	15,000	-

12. COMMITMENTS FOR EXPENDITURE

	2014 $	
Future minimum lease payments on operating leases		
not later than one year	48,751	42,906
later than one year but not later than 5 years	14,658	20,299
	63,409	63,205

13. NOTES TO THE STATEMENT OF CASH FLOWS

Cash on hand	685	-
Cash at bank	311,363	185,075
Bank overdraft	(744)	(4,132)
	311,304	180,943

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

Profit (loss) after income tax	717,771	91,684
Depreciation	18,795	4,742
Loss on sale of plant and equipment	7,910	-
Movements in operating assets and liabilities:		
- trade accounts receivable	(115,003)	(257,433)
- trade accounts payable and other payables	96,197	118,719
- employee benefit provisions	23,816	-
- tax liabilities	182,291	37,087
Net cash inflow from operating activities	931,777	(5,201)

14. SUBSEQUENT EVENTS

There are no 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.

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DECLARATION OF INDEPENDENCE BY ALBERT LOOTS TO THE DIRECTORS OF PRECISE CONSULTING AND LABORATORY LTD

As lead auditor of Precise Consulting and Laboratory Ltd for the period ended 31 October 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 Professional Accounting Bodies 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, 22 December 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Precise Consulting and Laboratory Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Precise Consulting and Laboratory Ltd, which comprises the statement of financial position as at 31 October 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 constitution and is appropriate to meet the needs 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 Precise Consulting and Laboratory Ltd as at 31 October 2014, and its financial performance and its cash flows for the period 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 under the constitution. As a result, the financial report may not be suitable for another purpose.

BDO Audit Pty Ltd

BDO

A S Loots

Director

Brisbane, 22 December 2014