

# **VENTUS AQUA LIMITED**

## **31 December 2019 Financial Report**

Interim Financial Statements

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## Directors' report

As at 31 December 2019

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The Director of Ventus Aqua Limited ("the Company") presents their report together with the financial statements of the Company for the period ended 31 December 2019.

### Directors

The following persons were directors of the Company during the period and up to the date of this report, unless otherwise stated:

- Mr Sok Teoh, Director
- Mrs Susan Tan, Director
- Mr Chris Burton, Director (Resigned 21-02-2020)
- Mr Michael Liew, Director (Appointed 1-06-2020)

### Review of operations

The Company made an operating profit of \$50,557 (2018: N/A) after income tax for the period ended 31 December 2019.

### Principal activity

The Company's principal activity during the financial year period ended 31 December 2019 was to carry evaluation investment opportunities within Australia.

### Events arising since the end of the reporting period

The Company has embarked on a listing process and has lodged an application to become a public Company. The Company was converted to a public company on 12 June 2020.

The recent outbreak of COVID-19 pandemic has been assessed and does not significant effect the overall company business. This may affect the company's future performance.

### Future developments, prospects and business strategies

The Company will lodge a prospectus in June with a view to acquire a private company in the glass processing and manufacturing industry along with specialised equipment and to raise a minimum of \$2,000,000 in cash (before costs).

### Environmental regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### Company secretary

The Company has appointed a company secretary on 8 April 2019.

### Dividends

No dividends were paid or declared during the period.

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## Directors' report

As at 31 December 2019

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### Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

### Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is partly for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

Signed in accordance with a resolution of the Director:



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Mr Sok Teoh

**Director**

15 June 2020

# DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF VENTUS AQUA LIMITED

As lead auditor for the review of Ventus Aqua Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 15 June 2020

## Statement of Financial Position

As at 31 December 2019

|  | Notes | Dec-19<br>\$     | Jun-19<br>\$     |
|--|-------|------------------|------------------|
| <b>Assets</b>                              |       |                  |                  |
| <b>Current Assets</b>                      |       |                  |                  |
| Cash and cash equivalents                  | 3     | 707,457          | 715,504          |
| Trade and other receivables                | 4     | -                | 28,682           |
| Financial assets at fair value through P&L | 5     | 2,000,000        | 1,900,000        |
| Other current assets                       | 6     | 242,212          | 255,193          |
| <b>Total Current Assets</b>                |       | <b>2,949,669</b> | <b>2,899,379</b> |
| <b>Total Assets</b>                        |       | <b>2,949,669</b> | <b>2,899,379</b> |
| <b>Liabilities</b>                         |       |                  |                  |
| <b>Current Liabilities</b>                 |       |                  |                  |
| Trade and other payables                   | 7     | 403              | 671              |
| <b>Total Current Liabilities</b>           |       | <b>403</b>       | <b>671</b>       |
| <b>Total Liabilities</b>                   |       | <b>403</b>       | <b>671</b>       |
| <b>Net assets (liabilities)</b>            |       | <b>2,949,266</b> | <b>2,898,708</b> |
| <b>Equity</b>                              |       |                  |                  |
| Issued capital                             | 8     | 2,910,196        | 2,910,196        |
| Retained profits/ (Accumulated Losses)     | 9     | 39,070           | (11,487)         |
| <b>Total Equity</b>                        |       | <b>2,949,266</b> | <b>2,898,708</b> |

The above Statement of financial position should be read in conjunction with the accompanying notes.

## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2019

|   | Notes | Dec-19<br>\$ |
|---|-------|--------------|
| <b>Revenue</b>  |       |              |
| Other Income  |       | 50,924       |
| <b>Expenses</b>   |       |              |
| Occupancy costs   |       | (367)        |
| General and Administration expenses                                       |       | -            |
| <b>Profit before income tax expense</b>                                   |       | 50,557       |
| Income tax expense  | 2     | -            |
| Profit after income tax expense for the year attributable to the owners   |       | 50,557       |
| Other comprehensive income for the year, net of tax                       |       | -            |
| <b>Total comprehensive income for the year attributable to the owners</b> |       | 50,557       |

The above Statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the half year ended 31 December 2019

|   | Issued<br>Capital<br>\$ | (Accumulated<br>Losses)/ Retained<br>Earnings<br>\$ | Total Equity<br>\$ |
|---|-------------------------|---|--------------------|
| Balance at 1 July 2019  | 2,910,196               | (11,487)  | 2,898,708          |
| Profit/(Loss) after income tax expense for the half year        | -                       | 50,557  | 50,557             |
| Other comprehensive income/(loss) for the half year, net of tax | -                       | -   | -                  |
| Total comprehensive income/(loss) for the year                  | -                       | 50,557  | 50,557             |
| Balance at 31 December 2019                                     | 2,910,196               | 39,070  | 2,949,266          |

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

## Statement of Cash Flows

For the period to 31 December 2019

|  | <b>Dec-19</b><br><b>\$</b> |
|--|----------------------------|
| <b>Cash Flow from operating activities</b>                   |                            |
| Investment income (net of GST)                               | 92,586                     |
| Payments to suppliers and employees (inclusive of GST)       | (634)                      |
| Interest paid  | -                          |
| Income taxes paid  | -                          |
| <b>Net cash from operating activities</b>                    | <u>91,952</u>              |
| <b>Cash Flow from/(used in) investing activities</b>         |                            |
| Payments for investments                                     | <u>(100,000)</u>           |
| <b>Net cash (used in) investing activities</b>               | <u>(100,000)</u>           |
| <b>Cash flow from financing activities</b>                   |                            |
| Proceeds from the issue of shares                            | -                          |
| Payments for share issue costs                               | -                          |
| <b>Net cash provided by financing activities</b>             | <u>-</u>                   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  | <u>(8,048)</u>             |
| Cash and cash equivalents at the beginning of the half year  | <u>715,504</u>             |
| <b>Cash and cash equivalents at the end of the half year</b> | <u>707,457</u>             |

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

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## Notes to the Financial Statements

For the period to 31 December 2019

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### Note 1. Basis of Preparation

#### *Statement of compliance*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new or amended standards became applicable for the current reporting period. The Company has updated its accounting policies as a result of adopting the following standards and amendments from 1 July 2019:

- AASB 16 Leases
- Interpretation 23 Uncertainty over Income Tax Treatments

The Company did not have to make any retrospective adjustments as a result of adopting these standards.

#### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

#### **Reporting convention**

This interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the financial year ended 30 June 2019.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

### **Significant Accounting Policies**

#### ***Leases***

Until 30 June 2019, leases of property plant and equipment where a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight line basis over the period of the lease.

The Company has used the modified retrospective #1 method which does not result in the opening retained earnings being adjusted or any adjustments to the comparative period. The Company has elected to measure the right to use assets at an amount equal to the lease liability.

On adoption of AASB 16, the Company has reviewed the practical expediency exemptions and has not recognised a liability and an asset for leases that have less than a year to run.

For any new contracts entered into on or after 1 July 2019, the Company must consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset through the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

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## Notes to the Financial Statements

For the period to 31 December 2019

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### *Leases (continued)*

#### Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial costs incurred by the Company, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use-assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Company also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments, variable payments based on an index and amounts expected to be payable under a residual value guarantee. Payments which are subject to an option will only be included if there is strong objective evidence to suggest that option will be exercised.

## Notes to the Financial Statements

For the period to 31 December 2019

### 2. Taxation

|  | Dec<br>2019<br>\$ | June<br>2019<br>\$ |
|--|-------------------|--------------------|
| Income tax expense                                       |                   |                    |
| - Current income expense                                 | -                 | -                  |
| - Deferred income expense                                | -                 | -                  |
|  | <u>-</u>          | <u>-</u>           |
| Reconciliation of income tax expense to prima facie tax: |                   |                    |
| Accounting profit/(loss) before income tax               | 50,557            | (11,487)           |
| At the statutory income tax rate of 30%                  | 15,167            | (3,446)            |
| - Temporary differences not recognised                   | (15,167)          | 30,446             |
| - Temporary differences originating from equity          | -                 | (27,000)           |
| Income tax reported in statement of comprehensive income | <u>-</u>          | <u>-</u>           |
| Deferred income tax                                      |                   |                    |
| Deferred income tax relates to the following:            |                   |                    |
| Net deferred income tax assets                           |                   |                    |
| - Tax losses   | 14,142            | 7,811              |
| - Investment   | (22,292)          | (8,605)            |
| - Other  | 23,430            | 31,240             |
| Net deferred tax assets not recognised                   | (15,279)          | (30,446)           |
|  | <u>-</u>          | <u>-</u>           |
| Net deferred tax asset/(liability)                       | <u>-</u>          | <u>-</u>           |

### 3. Cash and Cash equivalents

|               | Dec<br>2019<br>\$ | June<br>2019<br>\$ |
|---------------|-------------------|--------------------|
| Cash at bank  | 202,448           | 215,309            |
| Cash on hand  | 196               | 196                |
| Term deposits | 504,812           | 500,000            |
|               | <u>707,457</u>    | <u>715,504</u>     |

(a) All deposits are held with Australian major banking institutions which hold a high credit rating. The current short term rating is A-1+

(b) The fair value of cash equals the carrying value.

(c) There has not been any non-cash transactions during the period.

## Notes to the Financial Statements

For the period to 31 December 2019

### 3. Cash and Cash equivalents (continued)

(d) Reconciliation of operating cash movements

|  | Dec<br>2019<br>\$ |
|--|-------------------|
| Profit after income tax expense for the period | 50,557            |
| Adjustments for:                               |                   |
| Non-cash items                                 | -                 |
| Change in operating assets and liabilities:    |                   |
| Decrease in trade and other receivables        | 28,682            |
| Decrease in prepayments                        | 12,980            |
| Decrease in trade and other payables           | (267)             |
| Net cash from operating activities             | <u>91,952</u>     |

### 4. Trade and other receivables

|                     | Dec<br>2019<br>\$ | June<br>2019<br>\$ |
|---------------------|-------------------|--------------------|
| <b>Current</b>      |                   |                    |
| Trust distributions | -                 | 28,682             |
|                     | <u>-</u>          | <u>28,682</u>      |

### 5. Financial Assets at Fair Value through Profit or Loss

|  |                  |                  |
|--|------------------|------------------|
| Australian unlisted equity securities – property sector  | <u>2,000,000</u> | <u>1,900,000</u> |
|  | 2,000,000        | 1,900,000        |
| <i><u>Reconciliation of movements in the balance</u></i> |                  |                  |
| Opening balance  | 1,900,000        | -                |
| Additional purchases                                     | 100,000          | 1,900,000        |
| Disposals  | -                | -                |
| Fair value movement (a)                                  | -                | -                |
| Closing balance at end of period                         | <u>2,000,000</u> | <u>1,900,000</u> |

(a) The fair value of the investment has been determined based on the last market price sale of the securities (observable market data).

#### Estimates and judgement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For the above financial assets held at fair value through profit or loss, the Group has estimated its fair value based on recent market transactions.

The directors have assessed that they do not have significant influence over a unit trust even though the Group holds more than 20% of the total issued units of this trust. In making this judgement the directors have considered how the unit trust is controlled and managed by the trustee company and that the unit holders have no power to remove or change the trustee under the trust deed nor to participate in the financial or operating policy decisions of the trust.

## Notes to the Financial Statements

For the period to 31 December 2019

### 5. Financial Assets at Fair Value through Profit or Loss (continued)

Estimates and judgement

Fair value hierarchy

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The investment has been measured using level 1 inputs.

### 6. Other Current Assets

|                         | Dec<br>2019<br>\$ | June<br>2019<br>\$ |
|-------------------------|-------------------|--------------------|
| Withholding tax credits | 146               | 146                |
| Prepayments             | 242,000           | 242,000            |
| GST receivable          | 66                | 13,047             |
|                         | <u>242,212</u>    | <u>255,193</u>     |

Due to the short term nature of the current receivables, their carrying amounts approximate their fair value. The Company has prepaid certain listing costs.

### 7. Trade and other payables (debts)

Current liabilities

|           |            |            |
|-----------|------------|------------|
| Creditors | 403        | 671        |
|           | <u>403</u> | <u>671</u> |

Due to the short term nature of current payables, the carrying amount of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled on 30-day terms.

### 8. Issued capital

No further shares issued during the period.

|                |                  |                  |
|----------------|------------------|------------------|
| Issued capital | 2,910,196        | 2,910,196        |
|                | <u>2,910,196</u> | <u>2,910,196</u> |

### 9. Accumulated Profits / (losses)

|  |               |                 |
|--|---------------|-----------------|
| Opening balance                        | (11,487)      | -               |
| Profit / (loss) for the period         | 50,557        | (11,487)        |
| Closing accumulated profits / (losses) | <u>39,070</u> | <u>(11,487)</u> |

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## Notes to the Financial Statements

For the period to 31 December 2019

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### **10. Contingent liabilities**

The Company is not aware of any contingent liabilities at the date of the report.

### **11. Commitments**

The Company does not have any commitments as at the date of the report.

### **13. Events arising since the end of the reporting period**

The Company has embarked on a listing process and has lodged an application to become a public Company. The Company was converted to a public company on 12 June 2020.

### **14. Related party transactions**

There were no related party transactions during the period.

## Directors' declaration

For the period to 31 December 2019

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Corporations Regulation;
- the attached financial statements and notes comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the director.



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Mr Sok Teoh

**Director**

15 June 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ventus Aqua Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Ventus Aqua Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company does not present fairly, in all material respects the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the period ended on that date, in accordance with AASB 134 Interim Financial Reporting.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not presented fairly, in all material respects, in accordance with AASB 134 Interim Financial Reporting. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



#### Independence

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', with a long, sweeping horizontal stroke extending to the right.

Glyn O'Brien

Director

Perth, 15 June 2020