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CATAPULT SPORTS PTY LTD
ABN 66 137 513 378

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012

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**COMPILATION REPORT
TO CATAPULT SPORTS PTY LTD
ABN 66 137 513 378**

We have compiled the accompanying special purpose financial statements of Catapult Sports Pty Ltd, which comprise the balance sheet as at 30 June 2012, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The Directors of Catapult Sports Pty Ltd are solely responsible for the information contained in the special purpose financial statements and have determined that the accounting policies used are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with the accounting policies and APES 315 Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Name of Firm: Grant Thornton Australia Limited
Chartered Accountants

Name of Partner:

Michael Pittendrigh

Address: Level 2 215 Spring Street, Melbourne, Vic 3000

Dated this 15th day of April 2013

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CATAPULT SPORTS PTY LTD
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
SALES		
Sales	3,995,773	1,564,128
Engineering Consulting	55,557	37,412
Maintenance/Repairs	13,057	4,775
Freight Income	36,527	18,007
Sales Discounts & Allowances	<u>(598,589)</u>	<u>(106,316)</u>
	<u>3,502,325</u>	<u>1,518,006</u>
LESS: COST OF GOODS SOLD		
Opening Stock	136,336	12,000
Cost of Sales	506,568	481,452
Employment Expenses	141,207	134,052
Freight	62,319	30,715
Closing Stock	<u>(345,906)</u>	<u>(136,336)</u>
	<u>500,524</u>	<u>521,883</u>
GROSS PROFIT FROM TRADING	<u>3,001,801</u>	<u>996,123</u>
OTHER INCOME		
Other Income	37,641	30,694
Realised Foreign Exchange Gain/(Loss)	7,442	(3,729)
Unrealised Foreign Exchange Gain/(Loss)	<u>(24,426)</u>	<u>5,449</u>
	<u>20,657</u>	<u>32,414</u>
	<u>3,022,458</u>	<u>1,028,537</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Grant Thornton Australia Limited Accountants.

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CATAPULT SPORTS PTY LTD
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
EXPENSES		
Accountancy	61,435	2,890
Advertising and Promotion	64,301	6,473
APRC Expenses	-	7,430
Annual Leave	51,888	-
Bank Fees and Charges	1,840	4,203
Cleaning	5,328	2,946
Consulting Fees	1,728	153,965
Data Entry	-	2,315
Depreciation	141,683	4,049
Filing Fee	445	212
Fines & Penalties	2,485	1,868
Insurance	8,832	-
Interest	1,236	881
Legal Fees	57,787	1,321
Licence Fees	200,000	200,000
Marketing Overseas	-	44,378
Materials and Supplies	4,285	13,804
Patent Fees	1,380	25,756
Payroll Tax	24,510	3,707
Printing & Stationery	338	1,018
Project Costs	65,111	27,798
Rent	53,458	30,400
Replacements (tools, etc)	10,501	3,404
Recruitment Costs	7,857	-
Software Expenses	507	768
Staff Amenities	4,130	1,169
Subscriptions	6,582	4,572
Sundry Expenses	6,846	654
Superannuation	60,182	35,156
Telephone	13,850	12,929
Travel, Accom, and Conference	123,173	13,362
USA costs	6,917	-
Utilities	7,052	2,170
Wages	935,375	493,980
Workcover	1,759	2,546
	<u>1,932,801</u>	<u>1,106,124</u>
Profit (Loss) before income tax	<u>1,089,657</u>	<u>(77,587)</u>

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CATAPULT SPORTS PTY LTD
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Profit (Loss) before income tax		1,089,657	(77,587)
Income tax expense		231,766	(131,685)
Profit after income tax		857,891	54,098
(Accumulated losses) Retained earnings at the beginning of the financial year		(28,435)	62,387
Total available for appropriation		829,456	116,485
Extraordinary Items			
Legal Fees		69,257	144,920
Consulting Fees		60,000	-
Patent Fees		26,010	-
		155,267	144,920
Retained earnings (Accumulated losses) at the end of the financial year		674,189	(28,435)

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BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	331,295	136,208
Trade and other receivables	3	508,178	340,547
Inventories	4	441,918	136,336
Other current assets	5	13,200	13,200
TOTAL CURRENT ASSETS		<u>1,294,591</u>	<u>626,291</u>
NON-CURRENT ASSETS			
Trade and other receivables	3	679,796	-
Property, plant and equipment	6	179,175	12,707
TOTAL NON-CURRENT ASSETS		<u>858,971</u>	<u>12,707</u>
TOTAL ASSETS		<u>2,153,562</u>	<u>638,998</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	189,658	170,819
Financial liabilities	8	-	11,707
Provisions	9	107,409	-
Tax liabilities	10	100,081	(131,685)
Other current liabilities	11	299,758	172,077
TOTAL CURRENT LIABILITIES		<u>696,906</u>	<u>222,918</u>
NON-CURRENT LIABILITIES			
Trade and other payables	7	446,632	444,415
Other non-current liabilities	11	335,735	-
TOTAL NON-CURRENT LIABILITIES		<u>782,367</u>	<u>444,415</u>
TOTAL LIABILITIES		<u>1,479,273</u>	<u>667,333</u>
NET ASSETS (LIABILITIES)		<u>674,289</u>	<u>(28,335)</u>
EQUITY			
Issued capital	12	100	100
Retained earnings (Accumulated losses)	13	674,189	(28,435)
TOTAL EQUITY		<u>674,289</u>	<u>(28,335)</u>

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CATAPULT SPORTS PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 101:	Presentation of Financial Statements
AASB 112:	Income Taxes
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1031:	Materiality

No other applicable Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Income Tax

Income Tax on the profit or loss for the year comprises current tax.

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantially enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives commencing from the time the asset is held ready for use.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Superannuation

The amount charged to the Income Statement in respect of superannuation represents the contributions made by the entity to superannuation funds.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2 Cash and Cash Equivalents		
Cash on Hand	100	100
Petty Cash	90	352
Cash at Bank	159,624	69,745
Cash at Bank GBP	111,365	24,944
Cash at Bank USD	36,495	46
Cash at Bank EUR	23,621	41,021
	<u>331,295</u>	<u>136,208</u>
3 Trade and Other Receivables		
Current		
Unsecured Loans		
Catapult Sports LLC	81,559	-
GST Refundable	105,717	47,291
Trade Debtors	81,305	151,962
Trade Debtors EUR	10,490	83,223
Trade Debtors GBP	232,573	673
Trade Debtors USD	(5,992)	56,897
Sundry Debtors	2,526	501
	<u>508,178</u>	<u>340,547</u>
Non-Current		
Non-Current Receivables AUS	603,153	-
Non-Current Receivables USD	76,643	-
	<u>679,796</u>	<u>-</u>
4 Inventories		
Current		
Inventory Units	92,065	122,931
Garments	17,969	13,405
Raw Materials & WIP	235,872	-
Inventory in Transit	96,012	-
	<u>441,918</u>	<u>136,336</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
5 Other Current Assets		
Current		
Rental Bond	13,200	13,200
6 Property, Plant and Equipment		
Plant & Equipment- at cost	26,812	13,456
Less: Accumulated Depreciation	(13,278)	(7,566)
	13,534	5,890
Fixtures & Fittings	14,013	3,917
Less: Accumulated Depreciation	(717)	-
	13,296	3,917
Office Furniture & Equipment	16,642	3,133
Less: Accumulated Depreciation	(2,446)	(233)
	14,196	2,900
Rental Units	271,190	-
Less: Accumulated Depreciation	(133,041)	-
	138,149	-
Total Plant and Equipment	179,175	12,707
Total Property, Plant and Equipment	179,175	12,707
7 Trade and Other Payables		
Current		
Trade Creditors	120,849	139,136
Trade Creditors USD	41,117	20,745
Trade Creditors - GBP	1,394	-
Other Creditors	19,245	6,968
Superannuation Payable	7,053	3,970
	189,658	170,819
Non-Current		
Loans- Catapult Innovations U/T	446,632	444,415

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CATAPULT SPORTS PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
8 Financial Liabilities		
Current		
Credit Cards	-	11,707
9 Provisions		
Current		
Provision for Commission	55,521	-
Provision for Annual Leave	51,888	-
	<u>107,409</u>	<u>-</u>
10 Tax		
Liabilities		
Current		
Provision for Income Tax	100,081	(131,685)
11 Other Liabilities		
Current		
Accrued Wages	145,697	142,077
Accrued Expenses	106,129	30,000
Deferred Revenue	34,732	-
Customer Bond	13,200	-
	<u>299,758</u>	<u>172,077</u>
Non Current		
Deferred Revenue - 2013	183,561	-
Deferred Revenue - 2014	101,115	-
Deferred Revenue - 2015	51,059	-
	<u>335,735</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
12 Issued Capital		
Issued & Paid Up Capital	<u>100</u>	<u>100</u>
13 Retained Earnings (Accumulated Losses)		
(Accumulated losses) Retained earnings at the beginning of the financial year	(28,435)	62,387
Net profit (Net loss) attributable to members of the company	<u>702,624</u>	<u>(90,822)</u>
Retained earnings (Accumulated losses) at the end of the financial year	<u>674,189</u>	<u>(28,435)</u>

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**CATAPULT SPORTS PTY LTD
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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on the previous pages, are in accordance with the Corporations Act 2001;
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 
_____  sign here
Mr Shaun Holthouse

Director: 
_____  sign here
Mr Iger Van De Griendt

Dated this **day of**

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CATAPULT SPORTS PTY LTD
ABN 66 137 513 378
Minutes of Meeting of Directors

Held at: Level 1, 183 Ferrars Street, South Melbourne Vic 3205

On:

Present: Mr Shaun Holthouse
Mr Igor Van De Griendt

Minutes: The Chairperson reported that the minutes of the previous meeting had been signed as a true record.

Financial Reports and Notes to the Financial Statements: The Chairperson tabled the financial statements and notes to the financial statements of the entity in respect of the year ended 30 June 2012 and it was resolved that they be and are hereby adopted as tabled.

Company's Solvency It was resolved after reviewing the profit and cash flow budgets and considering the ability of the company to realise assets that the company would be able to pay its debts as and when they become due and payable.

Directors' Report and Declaration: The Chairperson tabled the Directors' Report and Directors' Declaration in respect of the year ended 30 June 2012 and it was resolved that such Directors' Report and Directors' Declaration be approved and signed by one director on behalf of the board.

Compilation Report: It was noted that the Compilation Report would be signed following the signing of the Directors' Declaration.

There being no further business the meeting then closed.

Signed as a true record:



Shaun Holthouse (Chairperson)

← sign here

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