Basper Limited

ABN: 80 004 661 205

Financial Statements

For the Year Ended 30 June 2014

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Corporate Directory

DIRECTORS
Winton Willesee (Non-Executive Chairman)
Campbell McComb
Andrew McKay
Robert Parton

COMPANY SECRETARY
Erlyn Dale

REGISTERED OFFICE
Suite 25, 145 Stirling Highway
Nedlands
Western Australia
Australia

Telephone: (08) 9389 3100
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SHARE REGISTER
Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford, Victoria

Telephone: (03) 9415 5000

AUDITOR
RSM Bird Cameron Partners
Level 21, 55 Collins Street
Melbourne, Victoria

SOLICITOR
Clarendon Lawyers
Level 19, 333 Collins Street
Melbourne, Victoria

BANKERS
St. George Bank Limited

STOCK EXCHANGE LISTING
Basper shares are listed on the Australian Stock Exchange

DOMICILE
Publicly listed company incorporated in Australia

Statistical summary

	2013 / 14 $000	2012 / 13 $000	2011 / 12 $000	2010 / 11 $000	2009 / 10 $000
STATEMENT OF FINANCIAL POSITION					
Share Capital	3,600	8,700	8,700	8,700	8,700
Share Capital and Reserves	326	6,081	9,529	11,878	12,371
Non-Current Liabilities	-	-	39	53	44
Current Liabilities	5,220	691	1,872	2,374	1,548
Total Liabilities	5,220	691	1,911	2,427	1,592
Non-Current Assets	-	-	5,668	6,443	4,091
Current Assets	5,546	6,772	5,772	7,862	9,062
Total Assets	5,546	6,772	11,440	14,305	13,963
STATEMENT OF COMPREHENSIVE INCOME					
Revenue from discontinued operations	686	5,076	9,267	9,348	9,969
Operating (Loss) / Profit Before Income Tax from discontinued operations	(155)	(2,943)	(2,151)	(2,405)	675
Income Tax Expense / (Benefit) discontinued operations	-	-	-	(177)	134
Operating (Loss) / Profit After Income Tax	(155)	(2,943)	(2,151)	(2,228)	541
STATEMENT OF CASH FLOWS					
Cash Flows From Operating Activities	339	(946)	123	(920)	(12)
FINANCIAL STATISTICS					
Earnings per Ordinary Share (Basic)	(1.55) cents	(29.50) cents	(21.50) cents	(22.30) cents	4.70 cents
Dividends per Ordinary Share (2009/10: Special)	0.00 cents	5.00 cents	2.00 cents	2.00 cents	12.00 cents
Return on Total Shareholders' Equity	(47.4)%	(48.4%)	(22.6%)	(18.8%)	4.4%
Dividend Times Covered	0.00	0.00	0.00	0.00	0.39
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	255.0%
Net Tangible Assets per Ordinary Share	3.26 cents	60.81 cents	95.30 cents	118.80 cents	118.50 cents
Current Ratio	1.06	9.80	3.10	3.30	5.90
Total Shareholders' Equity to Total Assets	5.9%	89.8%	83.0%	83.0%	89.0%
Total Shareholders' Equity to Total Liabilities	6.2%	880.2%	498.0%	489.0%	777.0%
Number of Employees (as at 30 June)	nil	29	32	65	69

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Basper Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

The following persons were directors of Basper Limited (formerly Berklee Limited) during the whole of the financial year and up to the date of this report:

Name	Position	
Alan Ian Beckett	Non-Executive Chairman	- Resigned 27 October 2014
Winton William Willesee	Non-Executive Chairman	- Appointed 27 October 2014
Grantly Martin Anderson	Deputy Chairman	- Resigned 27 October 2014
Campbell Gordon McComb	Non-Executive Director	- Appointed 27 October 2014
Andrew Gordon McKay	Non-Executive Director	- Appointed 27 October 2014
Robert Norman Parton	Non-Executive Director	- Appointed 27 October 2014
Brett Andrew Jones	Managing Director and Company Secretary	- Resigned 7 November 2013
Sean Ingram Balding	Managing Director and Company Secretary	- Appointed 7 November 2014 Resigned 27 October 2014

Principal activities

The principal activities of the Group during the early part of the year comprised the distribution of specialist industrial products including automotive mufflers and exhaust products, trolleys and other speciality equipment. The latter stages were directed to the wind down and planned liquidation of the Company.

Information on directors

The names and details of the Company's directors in office during the financial year and until the date of this report are presented below.

Alan Ian Beckett - *Non-Executive Chairman (until 27 October 2014)*

Qualifications	- BEcon FCA GAICD
Experience	- Mr Beckett was appointed to the Board of Basper Limited as a non-executive director on 1 August 2010, and on 12 November 2010 was appointed Chairman of the Board.
Interest in shares and options	- Ordinary shares held: 16,661
Special responsibilities	- Prior to date of resignation - Chairman of the Board and of the Remuneration and Nomination Committee
Other current directorships	- Mr Beckett serves as a director and chairman of audit, risk and compliance committees for a number of companies, government and not for profit organisations.

Directors' report (cont.)

Information on directors (cont.)

Winton William Willesee - *Non-Executive Chairman (from 27 October 2014)*

Qualifications	-	BBus., DipEd., PGDipBus., MCom., FFin, CPA, MAICD, ACIS/ACSA
Experience	-	Mr Willesee is an experienced company director. Winton brings a broad range of skills and experience in strategy, company development, corporate governance, company public listings, merger and acquisition transactions and corporate finance. Mr Willesee has considerable experience with ASX listed and other companies over a broad range of industries having been involved with many successful ventures from early stage through to large capital development projects. Winton has fulfilled the role of chairman and/or director of a number of listed companies. Mr Willesee holds formal qualifications in economics, finance, accounting, education and governance. He is a Fellow of the Financial Services Institute of Australasia, a Member of the Australian Institute of Company Directors, a Member of CPA Australia and a Chartered Secretary.
Interest in shares and options	-	Ordinary shares held: 1,137,288 from 27 October 2014
Special responsibilities	-	Non-Executive Chairman.
Former directorships in last 3 years	-	Bioprospect Limited, Base Resources Limited, Coretrack Limited, Otis Energy Limited, Torrens Energy Limited and Newera Resources Limited (resigned 31 July 2014).
Other current directorships	-	Chairman of Birimian Gold Limited, Cove Resources Limited and Metallum Limited. Director of Phytotech Medical Limited.

Grantly Martin Anderson - *Non-Executive Director (until 27 October 2014)*

Qualifications	-	FAICD
Experience	-	Mr Anderson was appointed to the Board of Basper Limited as a non-executive director on 1 August 2010. He is a Fellow of the Australian Institute of Company Directors with over 25 years experience as a director of both public and private companies.
Interest in shares and options	-	None
Special responsibilities	-	Prior to date of resignation - Deputy Chairman, Chairman of the Audit Committee and member of the Remuneration and Nominations Committee.
Other current directorships	-	Mr Anderson serves as a director of a number of other companies.

Directors' report (cont.)

Information on directors (cont.)

<u>Campbell Gordon McComb - *Non-Executive Director (from 27 October 2014)*</u>

Qualifications	-	BEcon, FFin, GAICD
Experience	-	Mr McComb has worked in the funds management industry for over 17 years, both in Australia and the UK and is currently the Chief Investment Officer for a Sydney based family office. From 2002, Mr McComb was involved (and later the CEO and major shareholder of) an Australian equities fund manager focused on private client portfolios. After 10 years in this role, he moved on to became the Managing Director of Easton Investments, an ASX listed financial services business which he helped build from a shell company to one with over $500m in funds under advice and management.
Interest in shares and options	-	Ordinary shares held: 822,479 from 27 October 2014
Special responsibilities	-	Non-Executive Director
Former directorships in last 3 years	-	Easton Investments
Other current directorships	-	Mr McComb currently holds a number of funds management board positions in Australia, along with being a Director of a Singapore based financial advisory group.

<u>Andrew Gordon McKay - *Non-Executive Director (from 27 October 2014)*</u>

Qualifications	-	B.Comm, SAFin
Experience	-	After completing a commerce degree at the University of Melbourne, Mr McKay's experience in the financial markets began as a cash hand securities dealer for the Bank of New York in Sydney. After a few years, he moved to London and accepted a position as foreign Exchange dealer for Shearson Lehman Hutton subsidiary.
Experience (cont.)	-	Mr McKay progressed rapidly to the position of Senior Dealer, Futures and Options, with responsibility for implementing the hedging strategy of the treasury department, and trading futures, FX and options. Upon his return to Australia in 1990, he launched an asset management company to apply his extensive knowledge of markets, developed during his banking days to proprietary trading and the broader asset / fund management world. Mr McKay has been managing money for clients through Asia since 1996. He is also a founder of the business that is now known as Newport Private Wealth Pty Ltd.
Interest in shares and options	-	Ordinary shares held: 822,479 from 27 October 2014
Special responsibilities	-	Non-Executive Director
Former directorships in last 3 years	-	None
Other current directorships	-	None

Directors' report (cont.)

Information on directors (cont.)

<u>Robert Norman Parton - *Non-Executive Director (from 27 October 2014)*</u>

Qualifications	-	B.Bus (Acc), CPA
Experience	-	Commencing his career in 1987, Mr Parton spent almost 20 years providing business analysis and management companies including BHP, Kraft Foods, Crane Group, Mitre 10 and PDL Electronics (part of the Schneider Electric Group). Since 2006, Mr Parton has been providing corporate advisory services utilising his extensive experience in business management, project evaluation and capital-raising across many sectors including real estate, cleantech, IT and manufacturing sectors. He has been involved in transaction management from sourcing, analysis and due diligence evaluation through to settlement and is a qualified accountant with over 20 year's membership with CPA Australia.
Interest in shares and options	-	Ordinary shares held: 1,137,287 from 27 October 2014
Special responsibilities	-	Non-Executive Director
Former directorships in last 3 years	-	Viculus Limited
Other current directorships	-	Mr Parton currently serves as a Director of Telesso Technologies Limited (TEO) and Motopia Limited (MOT).

<u>Brett Andrew Jones - *Managing Director (until 7 November 2013)*</u>

Qualifications	-	BEng (Hons) MBA GAICD MIEAust
Experience	-	Mr Jones was the managing director of the company until the date of his resignation.
Interest in shares and options	-	None
Special responsibilities	-	Prior to date of resignation - Managing Director and Company Secretary
Former directorships in last 3 years	-	None
Other current directorships	-	None

Directors' report (cont.)

Information on directors (cont.)

Sean Ingram Balding - *Managing Director (from 7 November 2013 until 27 October 2014)*

Qualifications	-	B.Comm University of Melbourne, Member of the Chartered Accountants of Australia and New Zealand
Experience	-	Mr Balding is a former Partner and consultant with Ernst & Young.
Interest in shares and options	-	None
Special responsibilities	-	Prior to date of resignation - Managing Director, Chief Financial Officer and Company Secretary
Former directorships in last 3 years	-	None
Other current directorships	-	Mr Balding serves as a director of a number of other companies.

Company Secretary

Brett Andrew Jones	-	Resigned 7 November 2013
Sean Ingram Balding	-	Appointed 7 November 2013, resigned 27 October 2014

Erlyn Saromines Dale *from 27 October 2014*

Qualifications	-	BCom
Experience	-	Miss Dale has a broad range of experience in company administration and corporate governance having been involved with several listed and unlisted public and other companies. Miss Dale is currently the Company Secretary of Cove Resources Limited, Mantle Mining Corporation Limited and PhytoTech Medical Limited. Miss Dale holds a Bachelor of Commerce (Accounting and Finance) and is currently undertaking a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia.

Review of Operations

During the period the Company divested its main undertaking and the Board commenced the process of liquidating the Company. Following the end of the reporting period shareholders rejected resolutions to liquidate the Company and a new Board was installed. The new Board has been active in seeking a value accretive acquisition for the Company.

Directors' report (cont.)

Dividends

The former Directors resolved to pay a 1.5 cent per share unfranked special dividend.

Group franking credits available for future distribution, subject to meeting the various ATO requirements on dividend franking, total $1,543,000.

Significant Changes in State of Affairs

Other than as discussed in the 'Review of Operations' no significant changes in the Group's state of affairs occurred during the financial year.

Events since the end of the financial year

Subsequent to 30 June 2014:

- The Company repaid share capital to its shareholders at $0.51 per share. This equated to a payment of $5,100,226 in July 2014.
- the former Directors resolved to pay a 1.5 cent per share unfranked special dividend, payable in October 2014; and
- The Directors and Company Secretary resigned effective 27 October 2014 and were replaced with four new Directors, details of which have been disclosed within the Directors report; and
- The Company has commenced seeking a suitable value accretive acquisition. The Board has reviewed a number of opportunities and is currently in advanced negotiation with an acquisition target.

Likely Developments

Following the rejection by shareholders of the former Board's proposal to liquidate the Company, the new Board has been seeking suitable value accretive opportunities and is currently in advanced negotiation with an acquisition target

Environmental matters

The Group's operations were subject to various environmental regulations under both Commonwealth and State legislation, which set the minimum requirements the Group was required to meet. The Group had a process in place during the year to monitor compliance with environmental regulations. The directors are not aware of any significant breaches during the period covered by this report. These environmental requirements ceased upon the sale of the business during the financial year.

Indemnification and insurance of officers

During the financial year, Basper Limited paid a premium of $25,500 plus GST and stamp duty to insure the directors and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Directors' report (cont.)

Meetings of directors

The number of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Directors' Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	Number eligible to attend	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
Alan Ian Beckett	17	16	2	2	-***	-***
Brett Andrew Jones	4	4	1**	1**	-	-
Grantly Martin Anderson	17	17	2	2	-***	-***
Sean Ingram Balding	13	17*	2**	2**	-	-
Winton William Willesee	-	-	-	-	-	-
Campbell Gordon McComb	-	-	-	-	-	-
Andrew Gordon McKay	-	-	-	-	-	-
Robert Norman Parton	-	-	-	-	-	-

* 4 meetings were by invitation of the Board of Directors.
** By invitation of the Audit Committee.
*** No remuneration / nomination committee meetings were held as the only executive employee of the Company was the Managing Director whose remuneration was fixed.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

RSM Bird Cameron Partners were appointed Company auditor on 4 November 2005 and will continue in office in accordance with section 327 of the *Corporations Act 2001*. The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

No fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2014.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found within the financial report.

Directors' report (cont.)

Remuneration Report

The directors present Basper Limited's 2014 remuneration report which sets out remuneration information for the Company's non-executive directors and other key management personnel.

The current Board have each been paid $5,000 which was paid after balance date. The current Board propose to make additional modest cash payments as funds permit and will seek shareholder approval for an issue of incentive equity in part as compensation for the work product that has not been remunerated via any cash payments and in part to align the interests of shareholders with those of the Board in securing a suitable value accretive asset and structuring that transaction to the benefit of shareholders.

The new Directors will adopt updated and fit for purpose remuneration policies during the 2015 financial year.

The report contains the following sections:

a) Key management personnel disclosed in this report
b) Remuneration governance
c) Service agreements
d) Details of remuneration
e) Equity instruments held by key management personnel

a) Key management personnel disclosed in this report

The Non-Executive Directors of the Company are as follows:

- Alan Ian Beckett (until 27 October 2014)
- Winton William Willesee (from 27 October 2014)
- Grantly Martin Anderson (until 27 October 2014)
- Brett Andrew Jones (until 7 November 2013)
- Campbell Gordon McComb (from 27 October 2014)
- Andrew Gordon McKay (from 27 October 2014)
- Robert Norman Parton (from 27 October 2014)
- Sean Ingram Balding (from 7 November 2013 to 27 October 2014)

Refer to the *Information on Directors* section within the Directors report for details about each director.

The new Board is reviewing the remuneration policy and will seek to implement a suitable revised policy to match any operation the Company may ultimately acquire during the 2015 financial year.

b) Remuneration governance

The remuneration committee is a committee of the Board. It is primarily responsible for making recommendations to the board on:

- the over-arching executive remuneration framework;
- operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

Directors' report (cont.)

Remuneration Report (cont.)

b) Remuneration governance (cont.)

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Aligning to shareholders' interests, the framework:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives who receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.

Aligning to program participants' interests, the framework:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and prior year. In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive directors
The Remuneration and Nomination Committee sets remuneration for non-executive directors annually in such a manner to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was adopted by a special resolution passed at the Annual General Meeting held on 24 November 2006 when shareholders approved an aggregate remuneration of up to a maximum of $500,000 per year. The aggregate remuneration is reviewed annually. The remuneration for non-executive directors is comprised of cash and superannuation contributions.

Retirement allowances for non-executive directors
There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors.

Directors' report (cont.)

Remuneration Report (cont.)

b) Remuneration governance (cont.)

Executive director remuneration
The Company entered into an employment contract with the Managing Director, with effect from 8 November 2011 for a minimum period of 2 years. This contract was not renewed. Mr Sean Balding took over this role from 7 November 2013 to 27 October 2014. From 27 October 2014 there has been no Managing Director position held.

The remuneration aspects of the contract aimed to reward the Managing Director with a level and mix of remuneration commensurate with his position and responsibilities within the Company and so as to:

- align the interests of the Managing Director with those of the shareholders; and
- ensure total remuneration is competitive by market standards.

Executive director remuneration
The Remuneration and Nomination Committee assessed the appropriateness of the nature and amount of remuneration of the Managing Director on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Managing Director.

Fixed remuneration
The level of fixed remuneration for the Managing Director was set so as to provide a base level of remuneration which was both appropriate to the position and was competitive in the market. The Managing Director received his fixed remuneration by way of cash and company superannuation payments.

Performance based remuneration
The Managing Director's remuneration package contained an element that was dependent upon a performance condition, which awarded a cash bonus subject to the attainment of clearly defined Group and individual measures. On an annual basis, after consideration of the Managing Director's performance, the Remuneration and Nomination Committee determined the amount, if any, of the short-term incentive to be paid.

Other employee's remuneration
The Company aimed to reward employees with a level of remuneration commensurate with their position and responsibilities within the Company and so as to ensure total remuneration was competitive by market standards. The Managing Director assessed the nature and amount of employees' remuneration on a periodic basis to ensure appropriate and realistic having regard to employees' responsibilities and relevant market conditions.

Retirement benefits
No executives have entered into employment agreements that provide additional termination benefits.

c) Service agreements

Remuneration and other terms of employment for the executives are formalised within service agreements.

Mr Brett Jones, the previous Managing Director, was employed under a contract which could have been terminated with notice by either party. The terms of the contract provided for:

- fixed remuneration of $226,000 per annum inclusive of a salary sacrificed vehicle;
- other benefits of $nil;
- a bonus to be determined by the Remuneration committee in accordance with an agreed formula; termination terms were as follows: should his employment be terminated within the minimum two year term (which commenced 8 November 2011) he may be paid a lump sum that is equivalent to an amount

Directors' report (cont.)

Remuneration Report (cont.)

c) *Service agreements (cont.)*

he would otherwise have been entitled to had he remained employed from that date to the expiry of the minimum term. He was also entitled to redundancy pay based on years of service in lieu of notice if his employment is terminated at the Company's initiative because the Company no longer requires the job to be done.

Superannuation contributions were made in accordance with Superannuation Guarantee Charge requirements or as salary sacrifice arrangements authorised by the Company. Long service leave and annual leave were accrued for key management personnel in accordance with statutory obligations.

Details of the amounts paid to Mr Balding are set out in section (d) of the remuneration report.

With respect to the new directors, the current agreement is to pay each directors $12,000 for the period until an acquisition is made.

d) *Details of remuneration*

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the major activities of Basper Limited and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company. At 30 June 2014, the key management personnel comprised only the Board of Directors, including the Managing Director.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group:

	Short term benefits			Post employment benefits	Long-term benefits	
2014	**Cash salary & fees $**	**Leave entitlements paid $**	**Non-monetary benefits $**	**Superannuation $**	**Annual and long service leave $**	**Total $**
Directors						
Alan Ian Beckett	59,500	-	-	5,504	-	65,004
Grantly Martin Anderson	38,950	-	-	3,603	-	42,553
Brett Andrew Jones	73,924	40,901	12,472	4,937	-	132,234
Sean Ingram Balding	53,418	-	-	6,838	-	60,256
Winton William Willesee	-	-	-	-	-	-
Campbell Gordon McComb	-	-	-	-	-	-
Andrew Gordon McKay	-	-	-	-	-	-
Robert Norman Parton	-	-	-	-	-	-
	225,792	**40,901**	**12,472**	**20,882**	**-**	**300,047**
2013						
Directors						
Alan Ian Beckett*	99,500	-	-	8,955	-	108,455
Grantly Martin Anderson*	49,850	-	-	3,506	-	53,356
Rick John van Berkel	13,084	-	-	16,129	-	29,213
Brett Andrew Jones	175,968	-	32,262	19,619	-	227,849
	338,402	**-**	**32,262**	**48,209**	**-**	**418,873**

***** fees include additional payments for Alan Ian Beckett and $10k plus superannuation for Grantly Martin Anderson to cover time spent on the Bid Assessment process which ran for 9 months.

Directors' report (cont.)

Remuneration Report (cont.)

e) Equity instruments held by key management personnel

The table below shows the number of shares in the Company held by key management personnel. There were no shares granted during the reporting period as compensation.

2014	Balance at the start of the year	Received during the year	Other changes during the year	Balance at end of the year
Name				
Alan Ian Beckett	16,661	-	-	16,661
Brett Andrew Jones	-	-	-	-
Grantly Martin Anderson	-	-	-	-
Winton William Willesee	-	-	-	-
Campbell Gordon McComb	-	-	-	-
Andrew Gordon McKay	-	-	-	-
Robert Norman Parton	-	-	-	-
Total	**16,661**	**-**	**-**	**16,661**
2013				
Name				
Alan Ian Beckett	16,661	-	-	16,661
Grantly Martin Anderson	-	-	-	-
Brett Andrew Jones	-	-	-	-
Rick John van Berkel	2,659,501	(2,659,501)	-	-
Total	**2,676,162**	**(2,659,501)**	**-**	**16,661**

None of the shares above are held nominally by the directors or any of the other key management personnel.

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

....
Winton Willesee, Non-Executive Chairman

Perth
11 March 2015

RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Basper Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Philip A Ransom

P A RANSOM
Partner

Melbourne, Victoria
Dated: 11 March 2015

Corporate Governance Statement

Basper Limited (the Company) and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. The Board of Directors continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

A description of the Group's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. They comply with the ASX Corporate Governance Principles and Recommendations unless otherwise stated.

The new Board is committed to the highest standards of governance and the Chairman and full Board, benefitting from extensive experience in governance, insists on the highest standards of governance in all aspect of the Company's operations. In that context, the new Board intends to have the Corporate Governance policies of the Company updated to ensure the most appropriate fit for purpose policies for the Company as it transitions into the next chapter of operations.

Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The responsibility for the operation and administration of the Company under the former Board was delegated by the Board to the Managing Director and the management team. The Board ensured that this team was appropriately qualified and experienced to discharge their responsibilities and had in place procedures to assess the performance of the Managing Director and the management team on an ongoing basis.

The new Board have not appointed a Managing Director and share the responsibility for the operation and administration of the Company amongst themselves, supervised consultants, and the Company Secretary.

Performance assessment

The performance of the executives is reviewed annually by the non-executive director members of the Board. As at the date of this report, there are no executive management positions. Performance assessment policies will be re-assessed as the company progresses with its strategic plans during the 2015 financial year and as executive management roles are filled.

Principle 2: Structure the board to add value

Board composition

The Board operates in accordance with the broad principles set out in its charter. The charter details the Board's composition and responsibilities.

Selection and appointment of directors

Due to the size of the Company, all Directors are involved in the selection of candidates for the position of director. The composition of the Board is constantly monitored to ensure the appropriate mix of expertise, experience and competence.

When a vacancy exists, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board selects a potential director with the appropriate expertise and experience.

Corporate Governance Statement (cont.)

Principle 2: Structure the board to add value (cont.)

Selection and appointment of directors (cont.)

Potential directors are approached by the Board and their interests in joining the board, together with the responsibilities such an appointment entail, are discussed. Terms and conditions of the appointment, including the level of remuneration, are also communicated to the nominees.

If accepted the Board will appoint the new director(s) during the year, and the person(s) will then stand for election by shareholders at the next Annual General Meeting. Shareholders are provided with relevant information on the candidates for election.

When appointed to the Board, all new directors receive an induction appropriate to their experience to familiarise them with matters relating to the Company's business, its strategy and current issues.

Responsibilities

The responsibilities of the Board include:

- guiding and monitoring the Company on behalf of the shareholders by whom they are elected and to whom they are accountable;
- seeking to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations;
- identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- ensuring that management's objectives and activities are aligned with the expectations and risk identified by the Board;
- ensuring that the strategic plan is designed to meet stakeholders' needs and manages business risk;
- ensuring that the ongoing development of the strategic plan and approving initiatives and strategies are designed to ensure the continued growth and success of the Group;
- implementing budgets by management and monitoring progress against budget via the establishment and reporting of both financial and non-financial key performance indicators;
- ensuring that the executive management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the executive management team; and
- discharging its stewardship by making use of sub-committees, including an audit committee and a remuneration committee.

Other functions reserved to the Board include:

- approval of the annual and half-yearly financial reports;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestures;
- ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored; and
- reporting to shareholders.

Board members

Details of the members of the Board, their experience, expertise, qualifications and term of office are set out in the Directors' Report. The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

Corporate Governance Statement (cont.)

Principle 2: Structure the board to add value (cont.)

Term of office

The Company's Constitution governs the appointment, continuation and removal of directors from office as follows:

- subject to the provisions of Listing Rule 3L (1), at each Annual General Meeting one-third of the directors or, if their number is not a multiple of 3, then the number nearest to but not exceeding one-third of the directors must retire from office;
- the directors to retire by rotation at an Annual General Meeting are those directors who have been longest in office since their last election;
- directors elected on the same day may agree amongst themselves or determine by lot which of them must retire;
- a director must retire from office at the conclusion of the third Annual General Meeting after the director was last elected, even if his or her retirement results in more than one-third of all directors retiring from office;
- a retiring director will be eligible for re-election; and
- a Managing Director where appointed will not, while continuing to hold that office, be subject to retirement as provided in these Articles in respect of other directors, but will be subject to the same provisions as to resignation and removal as the other directors.

The term in office held by each Director in office at the date of this report is as follows:

Director	**Term in office**
Alan Ian Beckett	Appointed 1 August 2010, resigned 27 October 2014
Winton William Willesee	Appointed 27 October 2014
Grantly Martin Anderson	Appointed 1 August 2010, resigned 27 October 2014
Brett Andrew Jones	Appointed 8 November 2011, resigned 7 November 2013
Sean Ingram Balding	Appointed 7 November 2013, resigned 27 October 2014
Campbell Gordon McComb	Appointed 27 October 2014
Andrew Gordon McKay	Appointed 27 October 2014
Robert Norman Parton	Appointed 27 October 2014

Directors' independence

The Board has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- independent of management;
- free from any business or other relationship that could, or could reasonably be perceived to, materially interfere with the exercise of independent judgement;
- not hold / have recently held an executive management position at Basper;
- not be a substantial shareholder of Basper, directly or indirectly;
- not be / have been in the last two years, a senior executive of, or the direct provider of consulting / audit services to, a supplier to, or a customer of, Basper, in a substantial manner; and
- not have an interest or a business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Basper.

Materiality is assessed on a case-by-case basis by reference to each director's individual circumstances.

Each current director is a substantial shareholder of the Company and is therefore not considered independent under the ASX guidelines.

Corporate Governance Statement (cont.)

Principle 2: Structure the board to add value (cont.)

Chairman and Managing Director

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The Managing Director where appointed is responsible for implementing Group strategies and policies. Currently the full Board take responsibility for implementing the Group strategies and policies.

Commitment

The Board held a number of Board meetings during the year which are disclosed within the Directors Report. In addition the Board meet frequently on an informal basis to progress the operations of the Company.

Non-executive directors of the former Board were expected to spend at least 12 days a year preparing for and attending Board and committee meetings and associated activities. The new Board meet frequently on an informal basis to manage the affairs of the Company and pursue an acquisition which is intended to have a quantum value add for shareholders.

Performance of non-executive directors is reviewable by the Chairman on an ongoing basis. Any director whose performance is considered unsatisfactory may be asked to resign.

Conflict of interests

There were no undisclosed conflicts of interest between the Group and its directors during the current period.

Independent professional advice

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Board committees

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. The former Board of directors were the Remuneration and Nomination Committee and the Audit Committee. At present the full Board fulfils the roles of all committees. The names of the directors are set out in the directors' report.
The committee structure and membership is reviewed on an annual basis.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis. Details will be made available on the Company website once the new Board has completed its reassessment of those policies and as soon as is practicably possible. All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

Minutes of committee meetings are tabled at the subsequent board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Corporate Governance Statement (cont.)

Principle 2: Structure the board to add value (cont.)

Performance assessment

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all directors is reviewed annually by the Chairman. The performance of the executives is reviewed annually by the non-executive director members of the Board.

The environment, health and safety management system (EHSMS)

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective the EHSMS was established to facilitate the systematic identification of environmental and OH&S issues and to ensure they are managed in a structured manner. This system has been operating for a number of years and allows the Company to:

- monitor its compliance with all relevant legislation;
- continually assess and improve the impact of its operations on the environment;
- encourage employees to actively participate in the management of environmental and OH&S issues;
- work with trade associations representing the Group's businesses to raise standards;
- use energy and other resources efficiently; and
- encourage the adoption of similar standards by the Group's principal suppliers, contractors and distributors.

Information on compliance with significant environmental regulations is set out in the Directors' Report.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Company has a formal code of conduct to guide directors, managers and employees.

In pursuing high standards of corporate governance, all directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

The new Board will reassess these codes during the 2015 financial year and as soon as is practicably possible ensure visibility of the:

- practices necessary to maintain confidence in the company's integrity;
- practices necessary to take into account the company's and Board's legal obligations and the expectations of the company's stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Diversification

The Company has consistently maintained a policy of attracting and retaining talented individuals irrespective of background or gender. The current operational circumstances of the Company have not enabled priority to be given to further development of the policy, with a concentration on introducing greater gender diversity. The Board will re-focus on this objective once employment of personnel within the company is re-established.

Corporate Governance Statement (cont.)

Principle 4: Safeguard integrity in financial reporting

Audit committee

The Audit Committee previously consisted of the following non-executive directors during the year:

- Grantly Martin Anderson (Committee chairman) – until 27 October 2014
- Alan Ian Beckett – until 27 October 2014

Due to the size of the Company and of the Board of Directors, the Committee comprised only two members, each non-executive. Details of these members' attendance at Audit Committee meetings are set out in the Directors' Report.

Following the changeover to the new Board, the Audit Committee role is currently undertaken by the full Board and therefore does not consist on independent members. The full Board has appropriate financial expertise and are financially literate and have an appropriate understanding of the industries in which the Group will operate.

The Audit Committee operates in accordance with a charter.

The main responsibilities of the Audit Committee are to:

- provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and the external audit function. In doing so, it is the responsibility of the committee to maintain free and open communication between the committee, external auditors and management of the Company;
- investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties;
- understand the Company's structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Company in the current environment;
- oversee the Company's financial reporting process on behalf of the Board and report the results of its activities to the Board;
- ensure the appropriateness of the accounting policies and principles that are used by the Company;
- ensure its policies and procedures remain flexible, in order to best react to changing conditions and circumstances. The committee will take appropriate actions to set the overall corporate 'tone' for quality financial reporting, sound business risk practices, and ethical behaviour;
- discuss with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs;
- meet separately periodically with management, and the external auditors to discuss issues and concerns warranting committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement. The committee shall provide sufficient opportunity for the external auditors to meet privately with the members of the committee. The committee shall review with the external auditor any audit problems or difficulties and management's response.

In fulfilling its responsibilities, the Audit Committee shall:

- receive regular reports from the external auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management;
- be directly responsible for making recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder ratification), remuneration, monitoring of the effectiveness, and

Corporate Governance Statement (cont.)

Principle 4: Safeguard integrity in financial reporting (cont.)

Audit committee (cont.)

independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting. The committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit / assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company;

- obtain and review a report by the external auditors describing:
  - the audit firm's internal quality control procedures; and
  - any material issues raised by the most recent internal quality control review, or peer review, of the audit firm;
- all relationships between the external auditor and the Company (to assess the auditor's independence); review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair the external auditor's judgement or independence in respect of the Company. Furthermore, the committee shall draft an annual statement for inclusion in the Company's annual report of whether the committee is satisfied the provision of non-audit services is compatible with external auditor independence;
- discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures. In addition, the committee shall also review the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level;
- review and discuss ASX press releases, as well as financial information prior to their release;
- review the half-year financial report and Appendix 4D prior to the filing of these with the ASX. The committee shall also discuss the results of the half-year review and any other matters required to be communicated to the committee by the external auditors under generally accepted auditing standards;
- review all representation letters signed by management to ensure that the information provided is complete and appropriate. The committee shall also discuss the results of the annual audit and any other matters required to be communicated to the committee by the external auditors under generally accepted auditing standards;
- establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The committee shall receive corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty; and
- evaluate its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

The Audit Committee has the authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The Company and Audit Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. RSM Bird Cameron Partners were appointed as the external auditor on 4 November 2005. It is RSM Bird Cameron Partners' policy to rotate audit engagement partners on listed companies at least every five years. The audit partner was rotated in 2011.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in notes to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee. The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Corporate Governance Statement (cont.)

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous disclosure and shareholder communication

The Company Secretary has been nominated as the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through:

- the full annual report (hard copy);
- the full annual report (accessible on the Company's website);
- the interim report (hard copy);
- disclosures made electronically to the ASX; and
- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate.

It is both Company policy and the policy of the auditor for the lead engagement partner to be present at the Annual General Meeting and to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 7: Recognise and manage risk

Risk assessment and management

The Board, through the Audit Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are not currently available on the Company website as a result of the restructure which has been occurring. This will be rectified as soon as is practicable. In summary, the Company policies are designed to ensure that strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

The Board assesses the Company's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- continuously identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an annual assessment of the effectiveness of risk management and internal compliance and control.

The Managing Director was responsible for raising awareness of all operational risks to the Board members.

Corporate Governance Statement (cont.)

Principle 7: Recognise and manage risk (cont.)

Risk assessment and management (cont.)

This role included providing recommendations to the Board members to make an informed decisions in relation to these risks. This role has currently been transferred to the Board of directors.

In addition, it is a requirement that each major proposal is submitted and discussed at Board level initially. The Board will then determine what additional information is required in order to arrive at a final decision and, where required, management's proposed mitigation strategies.

Corporate reporting

The Directors have made the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

Remuneration and Nomination committee

The Committee had consisted of the following non-executive directors during the year:

- Alan Ian Beckett (Committee chairman) – until 27 October 2014
- Grantly Martin Anderson – until 27 October 2014

Due to the size of the Company and of the Board of Directors, the Committee comprises only two members, each non-executive.

Details of these members' attendance at Committee meetings are set out in the Directors' Report.

Following the changeover to the new Board the role of this Committee is undertaken by the full Board. The full Board has appropriate financial expertise and are financially literate and have an appropriate understanding of the industries in which the Group operates. There are currently no independent members of this committee.

The Committee operates in accordance with its charter.

Further information on directors' and executives' remuneration is set out in the Directors' Report.

The Committee's terms of reference include responsibility for reviewing any transactions between the Group and the directors, or any interest associated with the directors, to ensure the structure and the terms are in compliance with the *Corporations Act 2001* and are appropriately disclosed.

Financial report

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Consolidated Statement of Comprehensive Income
For the year ending 30 June

	Note	2014 $	2013 $
Discontinued Operations			
Revenue	3	686,218	5,076,067
Gain on sale of assets held for sale		316,674	23,598
Changes in inventories of finished goods and work in progress	4	(231,153)	(835,000)
Raw materials and consumables used	4	(481,424)	(1,862,312)
Employee benefits expense		(80,885)	(2,218,092)
Restructuring charge / release	4	-	158,722
Depreciation and impairments	4	-	(1,206,177)
Freight and cartage		(5,312)	(342,841)
Lease payments on operating leases		(12,456)	(175,228)
Sales and marketing		(12,981)	(79,309)
Insurance		(29,052)	(101,931)
Inventory impairment	7	(60,000)	(311,506)
Other operating expenses		(244,157)	(1,069,249)
Loss before income tax		**(154,528)**	**(2,943,258)**
Income tax expense / (benefit)	5	-	-
Loss for the year		**(154,528)**	**(2,943,258)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Loss on revaluation of land and buildings	12	-	(504,000)
Other comprehensive income for the year, net of tax		**-**	**(504,000)**
Total comprehensive income for the year		**(154,528)**	**(3,447,258)**
Loss for the year is attributable to:			
Owners of Basper Limited		(154,528)	(2,943,258)
Total comprehensive income is attributable to:			
Owners of Basper Limited		(154,528)	(3,447,258)

	Note	Cents	Cents
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
Basic earnings per share	21	(1.55)	(29.50)
Diluted earnings per share	21	(1.55)	(29.50)
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
Basic earnings per share	21	(1.55)	(29.50)
Diluted earnings per share	21	(1.55)	(29.50)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June

	Note	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents		5,503,075	1,383,253
Trade and other receivables	6	43,065	711,235
Inventories	7	-	712,577
Assets held for sale	8	-	3,964,598
Total current assets		**5,546,140**	**6,771,663**
Non-current assets		**-**	**-**
TOTAL ASSETS		**5,546,140**	**6,771,663**
LIABILITIES			
Current liabilities			
Trade and other payables	9	5,220,084	458,531
Provisions	10	-	232,300
Total current liabilities		**5,220,084**	**690,831**
Non-current liabilities		**-**	**-**
TOTAL LIABILITIES		**5,220,084**	**690,831**
NET ASSETS		**326,056**	**6,080,832**
EQUITY			
Issued capital	11	3,599,774	8,700,000
Asset revaluation reserve	12	-	1,709,607
Accumulated losses	12	(3,273,718)	(4,328,775)
TOTAL EQUITY		**326,056**	**6,080,832**

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

Consolidated Statement of Changes in Equity
For the year ending 30 June 2014

	Note	Attributable to the owners of Basper Limited Issued capital $	Accumulated losses $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2012		**8,700,000**	**(1,385,517)**	**2,213,607**	**9,528,090**
Loss for the year		-	(2,943,258)	-	(2,943,258)
Other comprehensive income		-	-	(504,000)	(504,000)
Total comprehensive income	12	-	(2,943,258)	(504,000)	(3,447,258)
Balance at 30 June 2013		**8,700,000**	**(4,328,775)**	**1,709,607**	**6,080,832**
Loss for the year		-	(154,528)	-	(154,528)
Other comprehensive income		-	-	-	-
Total comprehensive income	12	-	(154,528)	-	(154,528)
Transactions with owners in their capacity as owners:					
Repayment of share capital	11(b)	(5,100,226)	-	-	(5,100,226)
Dividends paid	1(t)	-	(500,022)	-	(500,022)
Transfer to accumulated losses	12	-	1,709,607	(1,709,607)	-
Balance at 30 June 2014		**3,599,774**	**(3,273,718)**	**-**	**326,056**

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

Consolidated Statement of Cash Flows
For the year ending 30 June

	Note	2014 $	2013 $
Cash from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,440,194	6,235,087
Payments to suppliers and employees (inclusive of goods and services tax)		(1,151,139)	(7,218,190)
Interest received		49,518	37,036
Net cash inflow / (outflow) from operating activities	**20**	**338,573**	**(946,067)**
Cash flows from investing activities			
Proceeds from sale of assets held for sale		4,281,271	-
Proceeds from sale of plant and equipment		-	35,000
Purchase of plant and equipment		-	(6,902)
Proceeds from return of security deposits		-	189,000
Net cash inflow from investing activities		**4,281,271**	**217,098**
Cash flows from financing activities			
Repayment of borrowings		-	(43,933)
Dividends paid		(500,022)	-
Net cash (outflow) from financing activities		**(500,022)**	**(43,933)**
Net increase / (decrease) in cash and cash equivalents		**4,119,822**	**(772,902)**
Cash and cash equivalents at beginning of year		1,383,253	2,156,155
Cash and cash equivalents at end of year		**5,503,075**	**1,383,253**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The financial report of Basper Limited (the Company) for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 11 March 2015. The directors have the power to amend and revise the financial report.

The financial report includes the consolidated financial statements of the Company and its controlled entities (the Group).

Basper Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report, neither of which are part of these financial statements.

The accounting policies set out below have been applied within this context.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Basper Limited is a for-profit entity for the purpose of preparing the financial statements.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

i) Compliance with IFRS

The consolidated financial statements of the Basper Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii) Historical cost convention

These financial statements have been prepared under the historical cost convention unless otherwise stated in the notes.

iii) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As outlined in the annual report for the year ended 30 June 2013 and half year financial report for the six month period ended 31 December 2013, on 17 June 2013 an Extraordinary General Meeting was held where the shareholders agreed to:

(a) sell the Berklee business to Tilbal Pty Ltd; and
(b) sell the land and buildings located at Learmonth Road, Wendouree.

During the financial year these transactions were finalised.

Subsequent to the Company divesting its primary undertaking and concluding the sale of the Company's land and buildings, as well as the Company realising its remaining assets and settled its liabilities, a return of capital of $5,100,226 was made to shareholders subsequent to the end of the financial year. A dividend of $500,022 was paid during the financial year.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

a) Basis of preparation (cont.)

iii) Going concern (cont.)

Upon conclusion of the above matters, the directors of the Company resigned and new directors were appointed. The new directors of the Company are currently assessing the re-capitalisation of the Company and investment opportunities and, as at the date of this report, have commenced seeking a suitable value accretive acquisition and have reviewed a number of opportunities. The Company is currently in advanced negotiations with an acquisition target which would provide the Company with an attractive investment proposition and facilitate access to further capital.

Whilst the consolidated entity reported an operating loss of $154,528 for the financial year, it had a working capital and net asset surplus of $326,056 as at the end of the financial year. The parent entity had a working capital and net asset surplus of $326,056 as at the end of the financial year. In light of this position, and the matters discussed above, the new directors consider the consolidated entity can continue as a going concern and, accordingly, the financial report has been prepared on a going concern basis.

The statement of comprehensive income reflects discontinued operations of the organisation as a whole, reflecting the circumstances which existed for the financial year.

iv) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current data available to the Group. Those matters of current significance are outlined within the Notes to the Financial Statements.

v) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

vi) New and revised accounting standards and interpretations

The accounting policies adopted reflect the change in basis of preparation of the financial report and set out in this note. There are a number of new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), which are applicable for reporting periods beginning on or after 1 July 2013. The Group has adopted all of the mandatory new and amended pronouncements issued that are relevant to its operations and that are effective for the current reporting period. There was no material impact upon the consolidated financial statements for the year as a result of adoption of those new and amended pronouncements.

vii) *New accounting standards for application in future periods*

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

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

a) Basis of preparation (cont.)

vii) New accounting standards for application in future periods (cont.)

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2017)*

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. There will be no impact on the Group's accounting for financial assets and liabilities as the Group does not have any financial assets / liabilities that are designated at fair value through profit or loss.

(ii) *AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2014)*

In August 2011, the AASB issued a suite of new and amended standards which address the accounting for consolidated financial statements.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent / principal relationships. The Group does not expect the new standard to have a significant impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under AASB 10 and replaces the disclosure requirements currently found in AASB 127. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but could impact the type of information disclosed in relation to the Group's investments.

The Group will adopt the new standards from their operative date. They will therefore be applied in the consolidated financial statements for the annual reporting period ending 30 June 2015 if applicable.

(iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. In light of the Group's operating status at 1 July 2013, this standard will not have a significant impact upon the current disclosures within the financial statements.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

a) Basis of preparation (cont.)

vii) New accounting standards for application in future periods (cont.)

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company and all subsidiaries as at 30 June 2014, and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company, less any impairment charges.

c) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Basper Limited's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Sale of goods
Control of the goods has passed to the buyer upon delivery of the goods to the customer.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

d) Revenue recognition (cont.)

ii) Interest income

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

e) Income tax

The income tax expense or benefit for the period is the tax payable / refundable 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 between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss

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.

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 balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Basper Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004.

The head entity, Basper Limited, and the controlled entities in the tax consolidated group continue to 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 standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Basper Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

e) Income tax (cont.)

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and as a minimum, annually. 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 the end of each reporting period.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h) Inventories

Inventories have been valued at net realisable value.

i) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use, and a sale is highly probable. They are measured at the lower of cost and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell.

Non-current assets are not depreciated while they are classified as held for sale. Non-current assets are presented separately from the other assets in the Statement of Financial Position.

In the prior year, land and buildings were shown at fair value less costs to sell and disclosed in the financial report as an asset held for sale. These assets were realised during the financial year.

j) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

j) Financial instruments (cont.)

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

(i) *Financial liabilities*
Due to their short term nature trade and other payables are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(ii) *Impairment*
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement as incurred.

k) 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 uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the Group’s financial instruments approximates their fair value.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Unless otherwise disclosed in the notes to the financial statements, the carrying amount of the Group's financial instruments approximates their fair value.

m) Provisions

Provisions are recognised when the Group 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.

In the prior year the Company recognised a restructuring provision in respect of the costs associated with exiting the distribution and manufacturing operations. This provision primarily reflected residual redundancy, lease and motor vehicle costs which had to be met as a result of the decision to exit these operations.

n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of the 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. All short-term employee benefit obligation are presented within provisions.

(ii) Long service leave

The liability for long service leave and annual leave which is not expected to be wholly 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. Consideration is given to the 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 flows.

In the prior year, all employee benefits were classified as current liabilities as all employees were either transferring employment to Tilbal on 1 July 2013 or ceasing employment with the Company within twelve months of the end of the financial year.

o) Contributed equity

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Company.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the result attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the 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 and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board of Directors.

s) Parent entity financial information

The financial information for the parent entity, Basper Limited, has been prepared on the same basis as the consolidated financial statements, except that investments in subsidiaries are accounted for at cost net of impairment in the parent financial statements.

t) Capital management

(i) Risk management

The Group's objectives when managing capital are to maximize shareholder value and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders. Management gives particular regard to conservation of liquidity in its recommendations as to the declaration of dividends.

Notes to the Financial Statements (cont.)

1. Summary of Significant Accounting Policies (cont.)

t) Capital management (cont.)

(ii) Dividends

Ordinary shares

	2014 $	2013 $
Final unfranked dividend for the year ended 30 June 2013 of $0.05 per fully paid share	500,022	-

Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final unfranked dividend of $0.015 per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on 24 October 2014 out of retained earnings at 30 June 2014, but not recognised as a liability at year end, is $150,007.

(iii) Franking credits

	2014 $	2013 $
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2013 - 30%)	1,543,000	1,543,000

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

2. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, receivables and payables.

Through the current and past financial years the Group's activities exposed it to a range of financial risks: credit risk and liquidity risk. There is minimal market risk within the Group given that the majority of revenues were made to one customer. Throughout the year the Group used different methods to measure and manage different types of risks to which it was exposed. Risk management was and remains carried out by the board of directors under policies approved by them, against the objective of supporting the delivery of the Group's financial targets whilst continuing to protect its financial security. The financial risks noted below are those of on-going focus to the board of directors.

(i) Credit risk

Credit risk arises from cash and cash equivalents and outstanding trade and other receivables. The Group has assessed that there is minimal risk that the cash and trade and other receivables balances are impaired.

Receivables balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant. Any uncollectible amounts are provided for on a debtor specific basis. The Group has recorded a provision for doubtful debts totalling $nil (2013: $3,200).

Notes to the Financial Statements (cont.)

2. Financial risk management (cont.)

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet financial obligations as they fall due. The Group manages liquidity risk by maintaining a cash reserve and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Given current circumstances it is anticipated that financial liabilities will mature within six months of the reporting date, and that receivables will mature within the same timeframe. Due to their short term nature, the carrying amount of financial instruments is assumed to approximate their fair value.

	2014 $	2013 $
3. Revenue		
Sale of goods	636,700	5,019,568
Interest income	49,518	37,036
Other income	-	19,463
	686,218	5,076,067

4. Expenses

Cost of sales		
Changes in inventories of finished goods and work in progress	231,153	835,000
Raw materials and consumables used	481,424	1,862,312
Total cost of sales	712,577	2,697,312
Depreciation and impairments		
Plant and machinery depreciation	-	304,387
Buildings depreciation	-	43,000
Plant and machinery impairment	-	858,790
Total depreciation and impairments	-	1,206,177
Restructuring charge / (release)		
Restructuring provision release	-	(158,722)
Additional impairment	-	-
Total restructuring charge / (release)	-	(158,722)

Notes to the Financial Statements (cont.)

5. Income tax

a) Numerical reconciliation of income tax expense to prima facie tax payable

	2014 $	2013 $
Loss from continuing operations before income tax expense	(154,528)	(2,943,258)
Tax at the tax rate of 30% (2013: 30%)	(46,358)	(882,977)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- other items	-	(38,023)
- non-recognition of current year tax losses	46,358	769,000
- adjustment of temporary differences	-	152,000
Income tax expense / (benefit)	-	-

6. Current assets - Trade and other receivables

	2014 $	2013 $
Trade receivables	192	675,959
Provision for impairment of receivables	-	(3,200)
	192	672,759
Prepayments	-	16,915
GST receivable	18,232	-
Other receivables	24,641	21,561
	43,065	711,235

a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. At 30 June the ageing analysis of trade receivables is as follows:

	2014 $	2013 $
Current	192	271,192
30 days	-	347,647
60 days	-	27,286
90+ days	-	29,834
	192	675,959

A provision for doubtful debts of $nil (2013: $3,200) has been made as at 30 June 2014 resulting in a credit to the Statement of Comprehensive Income for the period of $nil (2013: $6,800). Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Notes to the Financial Statements (cont.)

6. Current assets - Trade and other receivables (cont.)

b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security. The directors have undertaken an assessment of trade receivables and are confident amounts recorded will be received in full.

	2014 $	2013 $
7. Current assets - Inventories		
Raw materials and stores at net realisable value	-	481,424
Work in progress at net realisable value	-	34,432
Finished goods at net realisable value	-	196,721
	-	712,577

a) Write-downs

Write downs of inventories to net realisable value during the year were $60,000 (2013: $311,506).

8. Current assets – Assets held for sale

Property, plant and equipment	-	3,964,598

Assets held for sale in the prior year comprised the Wendouree property including the manufacturing plant and equipment housed therein. The carrying value of the manufacturing plant and equipment reflects the terms of the asset sale agreement with Tilbal Pty Ltd.

9. Current liabilities - Trade and other payables

Trade and other payables	119,859	355,776
Repayment of share capital	5,100,225	-
Employee annual leave entitlements	-	102,755
	5,220,084	458,531

a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Notes to the Financial Statements (cont.)

10. Current liabilities - Provisions

	2014 $	2013 $
Employee long service leave entitlements	-	172,517
Provision for restructure	-	59,783
	-	232,300

a) *Provision for restructure*

In the prior period a restructure provision was recognised in respect of the business restructure at that time. In the prior year, management closed remaining leased distribution sites, relinquished surplus motor vehicles and made further redundancies.

b) *Movement in restructuring provision*

	2014 $	2013 $
Current		
Opening balance at 1 July	59,783	531,196
Utilised during the year	(59,783)	(312,691)
Transfer of amounts no longer required to the income statement	-	(158,722)
Balance at 30 June	-	59,783

11. Contributed Equity

a) *Share capital*

	2014 $	2013 $
10,000,443 (2013: 10,000,443) Ordinary shares, fully paid	3,599,774	8,700,000

b) *Movements in ordinary share capital*

Details	**Number of shares**	**$**
Opening balance 1 July 2012 and balance at 30 June 2013	10,000,443	8,700,000
Repayment of share capital	-	(5,100,226)
Balance at 30 June 2014	10,000,443	3,599,774

At the Company's Extraordinary General Meeting on 30 June 2014, shareholders resolved by general resolution, to give approval for the total equity of the Company to be reduced by an amount of $5,100,226 with such equal reduction of capital. This was effected by the Company paying to each holder of fully paid ordinary shares in the Company, an amount of $0.51 per share.

c) *Ordinary shares*

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts paid on shares held. Ordinary shares have no par value. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a general meeting of the Company.

Notes to the Financial Statements (cont.)

12. Reserves and accumulated losses movements analysis

	2014 $	2013 $
Asset revaluation reserve		
Opening balance	1,709,607	2,213,607
Revaluation of land and buildings	-	(504,000)
Transfer of asset revaluation reserve to accumulated losses	(1,709,607)	-
Total	-	1,709,607
Accumulated losses		
Opening balance	(4,328,775)	(1,385,517)
Total comprehensive income for the year	(154,528)	(2,943,258)
Dividends paid for ordinary shares during the financial year	(500,022)	-
Transfer of asset revaluation reserve to accumulated losses	1,709,607	-
Total	(3,273,718)	(4,328,775)

13. Related party transactions

a) *Key management personnel*

	2014 $	2013 $
Short-term employee benefits	266,693	338,402
Post-employment benefits	20,882	48,209
Long-term benefits	-	-
Termination benefits	-	-
Non-cash benefits	12,472	32,262
	300,047	418,873

Detailed remuneration disclosures are provided in the remuneration report.

b) *Equity instrument disclosures relating to key management personnel*

The number of shares in the Company held during the financial year by each director of Basper Limited and other key management personnel of the Group, including their personal related parties, are set out below. There were no shares granted during the reporting period as compensation. The number of shares held by key management personnel are as follows.

Notes to the Financial Statements (cont.)

13. Related party transactions (cont.)

b) Equity instrument disclosures relating to key management personnel (cont.)

	Balance at 1 July	Commencement / cessation of role	Net change other	Balance at 30 June
2014				
Directors of Basper Ltd				
Alan Ian Beckett	16,661	-	-	16,661
2013				
Directors of Basper Ltd				
Alan Ian Beckett	16,661	-	-	16,661
Rick John van Berkel	2,659,501	(2,659,501)	-	-
	2,676,162	(2,659,501)	-	16,661

c) Loans to key management personnel

There were no loans paid between Basper Limited and its key management personnel during the current and prior period.

d) Subsidiaries

Interests in subsidiaries are set out in note 17.

e) Transactions with other related parties

The following transactions occurred with related parties:

	2014 $	2013 $
Sale of raw materials and finished goods to other related parties	649,701	-

f) Terms and conditions

All transactions were made in accordance with the contractual terms set out in the Sales and Asset agreement with the related party.

Outstanding balances are unsecured and are repayable in cash.

Notes to the Financial Statements (cont.)

14. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor:

	2014 $	2013 $
RSM Bird Cameron Partners		
- Audit of the financial report	26,500	45,000
- Review of the interim financial report	17,958	17,000
	44,458	62,000

15. Contingencies and commitments

The parent entity and Group had neither contingent liabilities / assets nor commitments as at 30 June 2014.

16. Operating segments

The Company operates primarily within one industry segment, being the specialist industrial products industry, and also operates only within one geographical segment, being Australia.

Additional supplementary segment information:

Customers

The operations of the consolidated entity reflect one customer (2013: two customers) whose individual revenue exceeded 10% of consolidated revenue. The totals of their revenue is as follows:

	2014 $	2013 $
Customer A	-	2,131,799
Customer B	-	658,224
Customer C	649,701	Not greater than 10%

17. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1:

Name	Status	Country of incorporation	Percentage Owned 2014	Percentage Owned 2013
Basper Retail Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts (VIC) Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts (NSW) Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts (QLD) Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts (SA) Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts (WA) Pty Ltd	Registered (in process of being liquidated)	Australia	100%	100%
Undacar Parts (TAS) Pty Ltd	In external administration	Australia	100%	100%
Undacar Parts Pty Ltd	In external administration	Australia	100%	100%

Notes to the Financial Statements (cont.)

18. Events since the end of the financial year

Subsequent to 30 June 2014:

- The Company repaid share capital to its shareholders at $0.51 per share. This equated to a payment of $5,100,226 in July 2014.
- the former Directors resolved to pay a 1.5 cent per share unfranked dividend, payable in October 2014; and
- The Directors and Company Secretary resigned effective 27 October and were replaced with four new Directors, details of which have been disclosed within the Directors report; and
- The Company has commenced seeking a suitable value accretive acquisition. The Board has reviewed a number of opportunities and is currently in advanced negotiation with a suitable acquisition target.

19. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2014 $	2013 $
Statement of Financial Position		
Current assets	5,546,140	6,640,154
Non-current assets	-	-
Total assets	5,546,140	6,640,154
Current liabilities	5,220,084	625,565
Non-current liabilities	-	-
Total Liabilities	5,220,084	625,565
Shareholders equity		
Issued capital	3,599,774	8,700,000
Accumulated losses	(3,273,718)	(4,394,738)
Asset revaluation reserve	-	1,709,607
	326,056	6,014,869
Loss for the year	(88,564)	(3,185,302)
Total comprehensive income	(88,564)	(3,689,302)

b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2014 or 30 June 2013.

c) *Contractual commitments*

The parent entity did not have any commitments as at 30 June 2014 or 30 June 2013.

Notes to the Financial Statements (cont.)

20. Cash flow information

Reconciliation of loss after income tax to net cash outflows from operating activities

	2014 $	2013 $
Loss for the period	(154,528)	(2,943,258)
Depreciation	-	347,387
Impairment resulting from restructure	-	858,790
Profit on disposal of non-current assets	(316,673)	(23,598)
Changes in assets and liabilities:		
Decrease in trade and other receivables	686,402	731,096
Decrease in inventories	712,577	1,271,126
Decrease in trade payables and accruals	(362,555)	(624,642)
Decrease in provisions	(226,650)	(562,968)
Net cash inflows / (outflows) from operating activities	338,573	(946,067)

21. Earnings per share

	Cents	Cents
Basic earnings per share	(1.55)	(29.50)
Diluted earnings per share	(1.55)	(29.50)

a) *Weighted average number of shares used as the denominator*

	Number of shares	Number of shares
Weighted average number of shares used as the denominator in calculating basic earnings per share	10,000,443	10,000,443
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares	10,000,443	10,000,443

Directors Declaration

The directors of the Company declare that, in the opinion of the directors:

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position and performance of the consolidated entity; and
  (ii) complying with Australian Accounting Standards as they apply on a non-going concern basis, including the Interpretations, and the *Corporations Regulations 2001*;

(b) the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;

(c) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

....
Winton Willesee, Non-Executive Chairman

Perth
11 March 2015

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INDEPENDENT AUDITORS REPORT TO

THE MEMBERS OF

BASPER LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Basper Limited, which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 entity'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 entity'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 opinions.

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Basper Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Basper Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Basper Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Philip A Ransom

P A RANSOM
Partner

Melbourne, Victoria
Dated: 11 March 2015

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 9 March 2015.

(a) Distribution schedule of holdings	2014 No. of Holders	Units
1 - 1,000	63	33,303
1,001 - 5,000	104	282,392
5,001 - 10,000	42	290,976
10,001 - 100,000	34	1,028,825
100,001 and over	19	8,364,947
Number of holders of fully paid ordinary shares	**262**	**10,000,443**
Holdings less than a marketable parcel (based on 20c share price)	207	

Voting rights – Ordinary Shares
On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

b) Substantial shareholders	Number held	% of issued shares
Newport Investment Holdings	1,644,959	16.4%
Azalea Family Holdings Pty Ltd	1,137,288	11.4%
Mr Jeremy Phillip King	1,137,288	11.4%
TPG Australasia Pty Ltd	1,137,287	11.4%
Dr. David George Maxwell Welsh	638,587	6.4%

c) Twenty largest shareholders	Number held	% of issued shares
Newport Investment Holdings	1,644,959	16.4%
Azalea Family Holdings Pty Ltd	1,137,288	11.4%
Mr Jeremy Phillip King	1,137,288	11.4%
TPG Australasia Pty Ltd	1,137,287	11.4%
Dr. David George Maxwell Welsh	638,587	6.4%
Maelstrom Pty Ltd	398,353	4.0%
Ago Pty Ltd	306,627	3.1%
Mr. Colin Stubbs	250,000	2.5%
Maldew Holdings Pty Ltd	248,693	2.5%
Mr. Minton Yannis	244,340	2.4%
BP Sido Pty Ltd	193,812	1.9%
Mr. Ross George Yannis	189,705	1.9%
Marko Nominees Pty Ltd	147,343	1.5%
Mr. Gerald Francis Pauley	134,980	1.3%
National Reliance Investment	121,268	1.2%
Cep Pty Ltd	115,986	1.2%
Mr. David Ashley Bell	108,200	1.1%
Top Pocket Pty Ltd	106,742	1.1%
Mr. David Scicluna	103,489	1.0%
HBD Services Pty Ltd	73,915	0.7%
	8,438,862	**84.4%**