

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

BULLETPROOF GROUP LIMITED

ABN

80 148 142 634

Quarter ended ("current quarter")

31 December 2013

#### Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	3,614	7,739
1.2 Payments for		
(a) staff costs	(1,384)	(2,993)
(b) advertising and marketing	(147)	(185)
(c) research and development	(9)	(32)
(d) leased assets		
(e) other working capital	(1,604)	(3,829)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(23)	(23)
1.7 Others		
<b>Net operating cash flows</b>	<b>448</b>	<b>679</b>

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		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
<b>1.8</b>	<b>Net operating cash flows (carried forward)</b>	<b>448</b>	<b>678</b>
	<b>Cash flows related to investing activities</b>		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	1,421	1,421
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(50)	(110)
	(e) other non-current assets		
1.1	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	<b>Net investing cash flows</b>	<b>1,371</b>	<b>1,311</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>1,819</b>	<b>1,990</b>
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of Hire Purchases	(594)	(1,042)
1.19	Dividends paid		
1.20	Other - Capital Raising Cost		
	<b>Net financing cash flows</b>	<b>(594)</b>	<b>(1,042)</b>
	<b>Net increase(decrease) in cash held</b>	<b>1,225</b>	<b>948</b>
1.21	Cash at beginning of quarter/year to date	402	679
1.22	Exchange rate adjustments to item 1.20		
1.23	<b>Cash at end of quarter</b>	<b>1,627</b>	<b>1,627</b>

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**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	6
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Director Fees and Superannuation

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities (Hire Purchase)	5,100	3,495
3.2	Credit standby arrangements		

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	217	401
4.2	Deposits at call	1,410	-
4.3	Term deposits	-	-
4.4	Bank overdraft	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>1,627</b>	<b>401</b>

**Acquisitions and disposals of business entities**

5.1 On 28 October 2013, Spencer Resources Limited (now Bulletproof Group Limited), announced that it had signed an agreement to acquire 100% of the issued capital of Bulletproof Networks Pty Ltd (ACN 094 558 808). The acquisition was conditional upon:

- shareholder approval
- a minimum capital raising of \$1,600,000
- obtaining ASX approvals for relisting
- issuing of Consideration shares and other standard transaction conditions

Notwithstanding the fact that the Share Sale Agreement formally completed on 20<sup>th</sup> January 2014, from an accounting perspective the acquisition date has been deemed to be 31 December 2013, on the basis of having obtained shareholders approval at the Extraordinary General Meeting held on 17 December 2013, having raised a minimum of \$1,600,000 as at 31 December 2013, and by virtue of Bulletproof Networks Pty Ltd having an ability to control the activities of Spencer Resources Limited (now Bulletproof Group Limited) as a result of the terms and conditions in the original Share Sale Agreement.

Under the principles of AASB 3: Business Combinations, Bulletproof Networks Pty Ltd is the accounting acquirer and Spencer Resources Limited (now Bulletproof Group Limited) is the accounting acquiree. Accordingly, the 30 June 2014 consolidated financial statements of Spencer Resources Limited (now Bulletproof Group Limited) will be prepared as a continuation of the financial statements of Bulletproof Networks Pty Ltd.

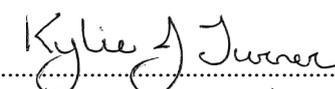
Consequently, the Appendix 4C has also been prepared as a continuation of Bulletproof Networks Pty Ltd, and therefore the current and comparative quarter presents the statement of cash flows of Bulletproof Networks Pty Ltd for the period to 31 December 2013, with Spencer Resources Limited (now Bulletproof Group Limited) included from 31 December 2013, therefore will not reconcile to previous Appendix 5B's prepared by Spencer Resources Limited (now Bulletproof Group Limited).

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  ..... Date: 31<sup>st</sup> January 2014  
(Company secretary)

Print name: Kylie Turner

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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