

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DISTRIBUTED LOGISTICS PTY LTD

We have audited the accompanying financial report, being a special purpose financial report, of Distributed Logistics Pty Ltd ("the company"), which comprises the consolidated balance sheet as at 30 June 2015 and the consolidated profit and loss statement for the period then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the entity and the entities it controlled at the period's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 opinion.

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Independence

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

Opinion

In our opinion the financial report presents fairly, in all material respects, the consolidated balance sheet of Distributed Logistics Pty Ltd as at 30 June 2015 and its consolidated financial performance for the period ended on that date in accordance with the accounting policies described in Note 1.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.



RSM AUSTRALIA PTY LTD



J S CROALL

Director

Dated: 10 October 2016
Melbourne, Victoria

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**Distributed Logistics Group Pty Ltd - Consolidated
Group**

Financial Statements
For the period ended 30 June 2015

TITAN
PARTNERS

Distributed Logistics Group Pty Ltd - Consolidated Group

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Distributed Logistics Group Pty Ltd - Consolidated Group
Trading Account
For the period ended 30 June 2015

6 March - 30 June 2015

\$

Trading Income

Sales	321,095
Total Trading Income	321,095

Cost of Sales

Add:

Purchases - Drivers	48,080
Purchases - Food	93,311
Purchases - Liquor	110,187
Purchases - Others	6,388
Purchases - Juices	135
Driver wages	102,001
	<u>360,103</u>

Cost of Sales **360,103**

Gross Loss from Trading **(39,008)**

Distributed Logistics Group Pty Ltd - Consolidated Group
Detailed Profit and Loss Statement
For the period ended 30 June 2015

6 March - 30 June 2015

\$

Income

Trading profit (loss)	(39,008)
Interest received	200
Total income	(38,809)

Expenses

Accountancy	5,705
Advertising and promotion	19,128
Bank fees and charges	538
Insurance	579
M/V commercial - Fuel & oil	109
M/V commercial - Other	11
Printing & stationery	172
Rent on land & buildings	1,174
Salaries - ordinary	61,000
Subscriptions	177
Subcontractors	23,414
Superannuation	5,795
Supplies	25
Telephone	26
Travel, accom & conference	5,509
Website expense	681
Total expenses	124,043
Profit (Loss) from Ordinary Activities before income tax	(162,851)

These financial statements must be read in conjunction with the Notes which form part of these financial statements.

Distributed Logistics Group Pty Ltd - Consolidated Group
Profit and Loss Statement
For the period ended 30 June 2015

6 March - 30 June 2015

\$

Operating profit (deficit) before income tax	(162,851)
Income tax (credit) attributable to operating profit (loss)	94,877
Operating profit (deficit) after income tax	(67,974)
Profit on extraordinary items	-
Income tax (credit) attributable to profit on extraordinary items	-
Profit on extraordinary items after income tax	-
Operating profit (deficit) and extraordinary items after income tax	(67,974)
Retained profits (accumulated losses) at the beginning of the financial year	(415,892)
Total available for appropriation (deficiency)	(483,866)
Retained profits (deficit) at the end of the financial year	(483,866)

These financial statements must be read in conjunction with the Notes which form part of these financial statements.

Distributed Logistics Group Pty Ltd - Consolidated Group
Balance Sheet as at 30 June 2015

	Note	2015 \$
Assets		
Current Assets		
Cash assets	2	127,474
Receivables	3	(10)
Current tax assets	4	131,009
Total Current Assets		258,473
Non-Current Assets		
Intangible assets	6	963
Other	5	3,298
Total Non-Current Assets		4,261
Total Assets		262,734
Liabilities		
Current Liabilities		
Payables	7	15,744
Current tax liabilities	8	42,575
Total Current Liabilities		58,319
Non-Current Liabilities		
Other	9	13,577
Total Non-Current Liabilities		13,577
Total Liabilities		71,896
Net Assets		190,839
Equity		
Issued capital	10	674,705
Retained profits / (Accumulated losses)		(483,866)
Total Equity		190,839

These financial statements must be read in conjunction with the Notes which form part of these financial statements.

Distributed Logistics Group Pty Ltd - Consolidated Group
Notes to the Financial Statements
For the period ended 30 June 2015

Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the consolidated group is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the members, the information needs of the stakeholders.

Distributed Logistics Group consists of the following entities and interests: Distributed Logistics Group Pty Ltd, Liquorun Pty Ltd, Get Swift Logistics Pty Ltd, Distributed Logistics Pty Ltd and Get Swift Inc.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors of Distributed Logistics Group Pty Ltd have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

(a) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income). The consolidated group does not apply deferred tax.

Current income tax revenue charged to the profit or loss is the tax refundable on taxable income calculated using applicable tax rates enacted, as at the reporting date. Current tax assets are therefore measured at the amounts expected to be refunded from the relevant taxation authority.

(b) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

(c) Employee Benefits

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

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and short term highly liquid investments with original maturities of three months or less.

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets, is the rate inherent in the instrument.

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Distributed Logistics Group Pty Ltd - Consolidated Group
Notes to the Financial Statements
For the period ended 30 June 2015

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(g) 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 Tax Office. In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 2: Cash assets

Cash At Bank	127,474
	<u>127,474</u>

Note 3: Receivables

Current

Trade debtors	(10)
	<u>(10)</u>

Note 4: Tax Assets

Current

GST	20,908
Taxation	110,101
	<u>131,009</u>

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Distributed Logistics Group Pty Ltd - Consolidated Group
Notes to the Financial Statements
For the period ended 30 June 2015

Note 5: Other Assets**Non Current**

Preliminary expenses	3,298
	<u>3,298</u>

Note 6: Intangible Assets

Patents and trademarks:

- At cost	963
	<u>963</u>

Note 7: Payables

Unsecured:

- Trade creditors	150
- Superannuation	12,367
- Wages payroll	3,227
	<u>15,744</u>

Note 8: Tax Liabilities**Current**

Amounts withheld from salary and wages	42,575
	<u>42,575</u>

Note 9: Other Liabilities**Non Current**

Director Loans	13,577
	<u>13,577</u>

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Distributed Logistics Group Pty Ltd - Consolidated Group
Notes to the Financial Statements
For the period ended 30 June 2015

Note 10: Contributed Capital

Ordinary shares

674,705

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Distributed Logistics Group Pty Ltd - Consolidated Group Directors' Declaration

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

In the opinion of the directors of the group:

1. (a) The Profit and Loss Account gives a true and fair view of the loss of the consolidated group for the period 6 March 2015 to 30 June 2015.
- (b) The Balance Sheet gives a true and fair view of the state of affairs of the consolidated group as at 30 June 2015.
2. At the date of this statement there are reasonable grounds to believe that the consolidated group will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors and is signed by:



Joel MacDonald
Director

DocuSigned by:

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Bane Hunter
Director

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