

**RSM Australia Pty Ltd**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000  
F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

**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 2016 and the consolidated profit and loss statement for the year 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 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 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.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

*Independence*

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

*Opinion*

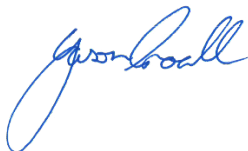
In our opinion the financial report presents fairly, in all material respects, the consolidated balance sheet of Distributed Logistics Pty Ltd as at 30 June 2016 and its consolidated financial performance for the year ended on that date in accordance with the accounting policies described in Note 1.

*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

For personal use only

For personal use only

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

**Financial Statements**  
For the year ended 30 June 2016



## Distributed Logistics Group Pty Ltd - Consolidated Group

### Contents

Trading Account

Detailed Profit and Loss Statement

Profit and Loss Statement

Balance Sheet

Notes to the Financial Statements

Directors' Declaration

Audit Report

For personal use only

**Distributed Logistics Group Pty Ltd - Consolidated Group**  
**Trading Account**  
**For the year ended 30 June 2016**

	2016 \$	06 March - 30 June 2015 \$
<b>Trading Income</b>		
Sales	107,554	321,095
<b>Total Trading Income</b>	<b>107,554</b>	<b>321,095</b>
<b>Cost of Sales</b>		
<b>Add:</b>		
Purchases - Drivers	22,727	48,080
Purchases - Food	-	93,311
Purchases - Liquor	-	110,187
Purchases - Others	-	6,388
Purchases - Juices	-	135
Driver wages	-	102,001
	<u>22,727</u>	<u>360,103</u>
<b>Cost of Sales</b>	<b>22,727</b>	<b>360,103</b>
<b>Gross Profit from Trading</b>	<b>84,827</b>	<b>(39,008)</b>

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**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2016**

	2016 \$	06 March - 30 June 2015 \$
<b>Income</b>		
Trading profit	84,827	(39,008)
Option fee	250,000	-
Loan written off	13,577	-
Interest received	-	200
Total income	348,404	(38,809)
<b>Expenses</b>		
Accountancy	23,625	5,705
Advertising and promotion	85,038	19,128
Amortisation expense	541	-
Audit fees	990	-
Bank fees and charges	1,247	538
Bookkeeping	5,393	-
Consultants fees	277,010	-
Depreciation expense	765	-
Entertainment	2,453	-
Filing Fees	2,927	-
Fines	900	-
General expenses	1,478	-
Insurance	9,986	579
Interest expense	126	-
Legal fees	52,213	-
M/V commercial - Fuel & oil	-	109
M/V commercial - Other	-	11
Printing & stationery	2,943	172
Rent on land & buildings	6,051	1,174
Salaries - ordinary	-	61,000
Staff amenities	2,740	-
Subscriptions	2,336	177
Subcontractors	50,542	23,414
Superannuation	13,094	5,795
Supplies	-	25
Telephone	2,434	26
Travel, accom & conference	28,736	5,509
Wages	236,841	-

**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**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2016**

	2016 \$	06 March - 30 June 2015 \$
Website expense	531	681
Total expenses	810,940	124,043
<b>Profit (Loss) from Ordinary Activities before income tax</b>	<b>(462,536)</b>	<b>(162,851)</b>

---

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 year ended 30 June 2016**

	2016 \$	6 March - 30 June 2015 \$
Operating profit (deficit) before income tax	(462,536)	(162,851)
Income tax (credit) attributable to operating profit (loss)	-	94,877
<b>Operating profit (deficit) after income tax</b>	<b>(462,536)</b>	<b>(67,974)</b>
Profit on extraordinary items	-	-
Income tax (credit) attributable to profit on extraordinary items	-	-
Profit on extraordinary items after income tax	-	-
<b>Operating profit (deficit) and extraordinary items after income tax</b>	<b>(462,536)</b>	<b>(67,974)</b>
Retained profits (accumulated losses) at the beginning of the financial year	(483,866)	(415,892)
Total available for appropriation (deficiency)	(946,402)	(483,866)
<b>Retained profits (deficit) at the end of the financial year</b>	<b>(946,402)</b>	<b>(483,866)</b>

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 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	2	269,731	127,474
Receivables	3	5,624	(10)
Current tax assets	4	7,078	131,009
<b>Total Current Assets</b>		<b>282,433</b>	<b>258,473</b>
<b>Non-Current Assets</b>			
Intangible assets	6	964	963
Other	5	2,758	3,298
<b>Total Non-Current Assets</b>		<b>3,722</b>	<b>4,261</b>
<b>Total Assets</b>		<b>286,155</b>	<b>262,734</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	28,066	15,744
Current tax liabilities	8	14,274	42,575
<b>Total Current Liabilities</b>		<b>42,340</b>	<b>58,319</b>
<b>Non-Current Liabilities</b>			
Other	9	128,502	13,577
<b>Total Non-Current Liabilities</b>		<b>128,502</b>	<b>13,577</b>
<b>Total Liabilities</b>		<b>170,842</b>	<b>71,896</b>
<b>Net Assets</b>		<b>115,313</b>	<b>190,839</b>
<b>Equity</b>			
Issued capital	10	1,061,715	674,705
Retained profits / (Accumulated losses)		(946,402)	(483,866)
<b>Total Equity</b>		<b>115,313</b>	<b>190,839</b>

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 year ended 30 June 2016**

---

**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.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Income Tax**

The income tax expense (revenue) for the year 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.

---

## Distributed Logistics Group Pty Ltd - Consolidated Group

### Notes to the Financial Statements

For the year ended 30 June 2016

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	269,066	127,474
Credit Card	665	-
	<u>269,731</u>	<u>127,474</u>

### Note 3: Receivables

#### Current

Trade debtors	5,624	(10)
	<u>5,624</u>	<u>(10)</u>

### Note 4: Tax Assets

#### Current

Taxation	-	110,101
GST	7,078	20,908
	<u>7,078</u>	<u>131,009</u>

**Distributed Logistics Group Pty Ltd - Consolidated Group**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2016**

---

**Note 5: Other Assets****Non Current**

Preliminary expenses	2,758	3,298
	<u>2,758</u>	<u>3,298</u>

**Note 6: Intangible Assets**

## Patents and trademarks:

- At cost	964	963
	<u>964</u>	<u>963</u>

**Note 7: Payables**

## Unsecured:

- Trade creditors	14,898	150
- Superannuation	9,975	12,367
- Wages payroll	3,193	3,227
	<u>28,066</u>	<u>15,744</u>

**Note 8: Tax Liabilities****Current**

Amounts withheld from salary and wages	14,274	42,575
	<u>14,274</u>	<u>42,575</u>

**Note 9: Other Liabilities****Non Current**

Director Loans	-	13,577
QualComm Convertible Note	128,502	13,577
	<u>128,502</u>	<u>13,577</u>

---

For personal use only

**Distributed Logistics Group Pty Ltd - Consolidated Group**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2016**

---

**Note 10: Contributed Capital**

Ordinary shares	<u>1,061,715</u>	<u>674,705</u>
-----------------	------------------	----------------

For personal use only

## 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 consolidated group:

1. (a) The Profit and Loss Account gives a true and fair view of the loss of the consolidated group for the financial year ended 30 June 2016.
- (b) The Balance Sheet gives a true and fair view of the state of affairs of the consolidated group as at 30 June 2016.
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:  
  
384C73B93B46426...

---

Bane Hunter  
Director

For personal use only