

**KEI CABLES AUSTRALIA PTY LTD**  
**BALANCE SHEET AS AT 31st March, 2019**

Figures in AUD  
As at  
31<sup>st</sup> March, 2018

	Note		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>				
<b>Current Assets</b>				
Inventories	2	727,730	-	
Trade Receivables	3	-	3,326,064	
Cash and Bank Balances	4	935	168,877	
Other Current Assets	5	46,619	775,284	3,528,388
			<u>775,284</u>	<u>3,528,388</u>
<b>TOTAL</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share Capital	6	200	200	
Other Equity		(255,121)	(254,921)	44,128
			<u>775,284</u>	<u>3,528,388</u>
<b>Current Liabilities</b>				
Borrowings	7	192,500	-	
Trade Payables	8	818,117	2,966,208	
Other Current Liabilities	9	10	499,764	
Current tax Liabilities	10	19,578	1,030,205	3,484,260
			<u>775,284</u>	<u>3,528,388</u>
<b>TOTAL</b>			<u>775,284</u>	<u>3,528,388</u>
Significant Accounting Policies And Notes on Financial Statements	1 to 15			

Place of Signing:  
Date : 17<sup>th</sup> May 2019

  
**MANOJ KAKKAR**  
Director

Place of Signing:  
Date : 18 May 2019

  
**MICHAEL WICKS**  
Director

**KEI CABLES AUSTRALIA PTY LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2019**


Particulars	Note No	Year Ended 31 <sup>st</sup> March, 2019	Figures in AUD Year Ended 31 <sup>st</sup> March, 2018
Revenue from Operations		7,851,352	19,683,051
Other Income	11	112,557	-
<b>Total Revenue</b>		<u>7,963,909</u>	<u>19,683,051</u>
<b>Expenses</b>			
Cost of Materials Consumed	12	6,697,465	18,293,640
Finance Costs	13	720	113,397
Other Expenses	14	1,563,484	1,209,513
<b>Total Expenses</b>		<u>8,261,669</u>	<u>19,616,549</u>
<b>Profit Before Tax</b>		<u>(297,760)</u>	<u>66,501</u>
Tax Expense			
---Current tax		1,289	18,288
---Earlier Year		-	-
<b>Profit for the Year</b>		<u>(299,049)</u>	<u>48,213</u>
<hr/>			
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss		-	-
Items that will be reclassified to profit and loss		-	-
- Income tax effect on above		-	-
<b>Other Comprehensive Income for the year net of Tax</b>		-	-
<b>Total Comprehensive Income for the year</b>		<u>(299,049)</u>	<u>48,213</u>

Significant Accounting Policies And Notes on Financial Statements 1 to 15

Place of Signing:  
 Date : 17<sup>th</sup> May 2019

  
**MANOJ KAKKAR**  
 Director

Place of Signing:  
 Date : 18 May 2019

  
**MICHAEL WICKS**  
 Director

# KEI CABLES AUSTRALIA PTY LTD

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019

	Year Ended 31st March 2019	Figures in AUD Year Ended 31st March 2018
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extraordinary items	(297,760)	66,501
Adjustments for :		
Depreciation	-	-
Financial Charges	720	113,397
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(297,040)</b>	<b>179,898</b>
Adjustments for :		
Trade & Other Receivables	3,312,893	(3,359,511)
Inventories	(727,730)	-
Trade & Other Payables	(2,647,845)	3,455,792
<b>Cash Generated from operations</b>	<b>(359,722)</b>	<b>276,179</b>
Direct Taxon paid / Refund	-	-
<b>Cash flow before Extra ordinary items</b>	<b>(359,722)</b>	<b>276,179</b>
Extraordinary Items	-	-
<b>Net Cash from operating activities</b>	<b>(359,722)</b>	<b>276,179</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment	-	-
<b>Net Cash from investing activities</b>	<b>-</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Issue of Shares	-	100
Loan from Holding Company	192,500	-
Financial Charges	-720	(113,397)
<b>Net Cash from Financing Activities</b>	<b>191,780</b>	<b>(113,297)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(167,942)</b>	<b>162,883</b>
Cash & Cash Equivalents as at 1st April (Opening Balance)	168,877	5,995
Cash & Cash Equivalents as at 31st March (Closing Balance)	935	168,877

Note : Figures in brackets represent cash outflow

Place of Signing:

Date : 17<sup>th</sup> May 2019



**MANOJ KAKKAR**  
Director

Place of Signing:

Date : 18 May 2019



**MICHAEL WICKS**  
Director

**KEI CABLES AUSTRALIA PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements are presented in Australian currency.

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) Going Concern**

Notwithstanding the deficiency of net assets in the company, the financial report of the company has been prepared on a going concern basis.

The ability of the Company to continue as a going concern is dependent upon the continued support from the major shareholder.

**b) Income Tax**

The income tax expense (income) for the year for the year comprises current income tax expense (income). The Company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit and loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the Australian Taxation Office.

**c) 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 borrowings in current liabilities on the balance sheet.

**d) Property, Plant and Equipment**

Property, Plant and Equipment are carried at cost, independent of directors' valuation. All assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the trust.



**e) Provisions**

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

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

**f) 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 ATO. 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 balance sheet are shown inclusive of GST.

**g) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

**h) Receivables**

Trade debtors are recorded at amounts to be received. A provision for doubtful debts is raised based on a review of outstanding amounts at balance date. Bad debts specifically provided for in previous years are recorded against the provision for doubtful debts (the provision is reduced). In all other cases, bad debts are written off as an expense directly in the statement of financial performance.

## KEI CABLES AUSTRALIA PTY LTD

### NOTES TO ACCOUNTS

Figures in AUD

	<i>As at</i>	<i>As at</i>
	<i>31st March, 2019</i>	<i>31st March, 2018</i>
<b>2 Inventories</b>		
Cables Project Costs on hand	727,730	-
	727,730	-
<b>3 Trade Receivables (Current)</b>		
Others - Trade Receivable	-	3,326,064
	-	3,326,064
<b>4 Cash and Bank Balances</b>		
Cash on hand	-	
Balances with Banks		
--- Current Accounts	935	168,877
	935	168,877
<b>5 Other Current Assets</b>		
Amount Recoverable from Cable Grid Australia	16,724	33,447
Prepaid Expenses	2,985	-
GST Recoverable and due	22,090	-
GST Recoverable but not due	4,820	-
	46,619	33,447
<b>6 Equity</b>		
<b>Share Capital</b>		
Issued, Subscribed & paid-up		
200 Share @1 AUD	200	200
	200	200
<b>Reconciliation of Number of Equity Shares</b>		
Balance as at the beginning of the year	200	100
Add: issued during the year	-	100
Balance as at the end of the year	200	200
<b>Other Equity</b>		
Balance at the beginning of the year	43,928	(4,285)
Add; Net profit for the year	(299,049)	48,213
	(255,121)	43,928

7	Borrowings		
	Loan from Related Party	As at 192,500	As at -
		<u>192,500</u>	<u>-</u>
8	Trade Payables	As at 31st March, 2019	As at 31st March, 2018
	Others	818,117	2,966,208
		<u>818,117</u>	<u>2,966,208</u>
9	Other Current Liabilities	As at 31st March, 2019	As at 31st March, 2018
	Expenses payable	10	98,626
	Other Creditors	-	-
	Advance Received	-	26,000
	GST payable and due	-	83,377
	GST payable and not due	-	291,761
		<u>10</u>	<u>499,764</u>
10	Current Tax Liabilities ( Net)	As at 31st March, 2019	As at 31st March, 2018
	Income Tax Provisions	19,578	18,288
		<u>19,578</u>	<u>18,288</u>
11	Other Income	As at 31st March, 2019	As at 31st March, 2018
	Other Income	681	-
	Rebate of Finance Charges	111,876	-
		<u>112,557</u>	<u>-</u>
12	Cost of Materials Consumed	As at 31st March, 2019	As at 31st March, 2018
	--- Opening Stock	-	-
	Add : Purchases	7,425,195	18,293,640
	Less: Closing Stock ( Cable in hand)	727,730	18,293,640
		<u>6,697,465</u>	<u>18,293,640</u>
13	Finance Costs	As at 31st March, 2019	As at 31st March, 2018
	Interest Expense (Others)	-	151
	Bank Charges on BG	-	111,876
	Bank Charges	720	1,370
		<u>720</u>	<u>113,397</u>

Figures in AUD  
As at  
31st March, 2018

	<i>As at</i> 31st March, 2019	<i>As at</i> 31st March, 2018
<b>14 Other Expenses</b>		
Repairs & Maintenance- other	-	26,288
Freight, Handling and Octroi (Net)	193,809	301,457
Rebate,Discount,Commission on Sales	375,330	856,254
Registration License Fees	-	105
Insurance	20,471	17,341
Communication Expenses	-	-
Professional & Technical Consultancy Charges	98,571	5,995
Bad debt expenses	871,926	-
ROC Charges	263	254
Rent Rates and Taxes	1,242	-
Accounting Charges	1,870	1,750
Miscellaneous Expenses	1	69
	<u>1,563,484</u>	<u>1,209,513</u>

#### 15 Singnificant Event

During the year the major customer of the company went to liquidation and the amount owing written off as a bad debt. The cabling that was not yet paid for was recovered and has been valued at an estimated realisable value. There are currently negotiations under way to resell the cabling. Although no contract has been signed, the cabling has been valued at the current negotiated price. Should this price not be achieved then future results will be adversely affected.

Place of Signing:

Date : 17<sup>th</sup> May 2019



**MANOJ KAKKAR**  
Director

Place of Signing:

Date : 18 May 2019



**MICHAEL WICKS**  
Director



# McFillin

## Audit Services

ABN 13 757 716 236

CERTIFIED  
PRACTISING ACCOUNTANTS

### **Independent Auditor's Report To the Members of KEI Cables Australia Pty Ltd REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of KEI Cables Australia Pty Ltd ("the Company") which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors 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 and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to read 'Mike McFillin', written in a cursive style.

**Mike McFillin**  
**McFillin Audit Services**

Brisbane

19 May 2019