

Jack Hills Crushing Pty Ltd

ABN 83 121 360 343

Financial Statements
For the year ended 30 June 2008

Jack Hills Crushing Pty Ltd

ABN 83 121 360 343

Contents

Directors' Declaration
Detailed Profit and Loss Statement
Profit and Loss Statement
Detailed Balance Sheet
Notes to the Financial Statements
Auditor's Report
Auditor's Independence Declaration

Jack Hills Crushing Pty Ltd

ABN 83 121 360 343

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2008 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ross Campbell Williams
Director

Dated: 14/10/08

Jack Hills Crushing Pty Ltd
ABN 83 121 360 343
Detailed Profit and Loss Statement
For the year ended 30 June 2008

	2008	2007
	\$	\$
Income		
Hire income	936,000	780,000
Interest received	7,693	3,439
Total income	<u>943,693</u>	<u>783,439</u>
Expenses		
Accountancy	2,031	
Amortisation Expense	340	340
Bank Fees And Charges		800
Depreciation - plant	597,038	610,488
Hire purchase charges	173,928	136,876
Stamp Duty		869
Interest - Australia	74,704	
Total expenses	<u>848,041</u>	<u>749,373</u>
Profit from Ordinary Activities before income tax	<u>95,652</u>	<u>34,066</u>

Jack Hills Crushing Pty Ltd
ABN 83 121 360 343
Profit and Loss Statement
For the year ended 30 June 2008

	2008 \$	2007 \$
Operating profit before income tax	95,652	34,066
Income tax attributable to operating profit (loss)	<u>28,696</u>	<u>10,220</u>
Operating profit after income tax	66,956	23,847
Retained profits at the beginning of the financial year	<u>23,847</u>	<u>23,847</u>
Total available for appropriation	<u>90,803</u>	<u>23,847</u>
Retained profits at the end of the financial year	<u>90,803</u>	<u>23,847</u>

Jack Hills Crushing Pty Ltd
ABN 83 121 360 343
Detailed Balance Sheet As At 30 June 2008

	Note	2008 \$	2007 \$
Current Assets			
Cash Assets			
Cash At Bank		158,529	114,198
Cash on hand		70	70
		<u>158,599</u>	<u>114,268</u>
Receivables			
Trade debtors			85,800
			<u>85,800</u>
Current Tax Assets			
GST payable control account		(23,400)	(23,400)
Input tax credit control account		61,349	
		<u>37,949</u>	<u>(23,400)</u>
Total Current Assets		<u>196,548</u>	<u>176,668</u>
Non-Current Assets			
Property, Plant and Equipment			
Plant & equipment - at cost		4,207,493	3,594,004
Less: Accumulated depreciation		(1,207,526)	(610,488)
		<u>2,999,967</u>	<u>2,983,516</u>
Other			
Preliminary expenses		1,700	1,700
Less: Accumulated amortisation		(680)	(340)
		<u>1,020</u>	<u>1,360</u>
Total Non-Current Assets		<u>3,000,987</u>	<u>2,984,876</u>

1000

Jack Hills Crushing Pty Ltd
ABN 83 121 360 343
Detailed Balance Sheet As At 30 June 2008

	Note	2008 \$	2007 \$
Total Assets		<u>3,197,535</u>	<u>3,161,544</u>
Current Liabilities			
Payables			
Secured:			
Trade creditors		<u>674,837</u>	<u> </u>
		<u>674,837</u>	<u> </u>
Financial Liabilities			
Secured:			
Hire Purchase - NAB Crushing Plant		695,207	695,207
Unexpired Interest - NAB Crushing Plant		<u>(133,687)</u>	<u>(173,928)</u>
		<u>561,520</u>	<u>521,279</u>
Current Tax Liabilities			
Taxation		<u>28,696</u>	<u>10,220</u>
		<u>28,696</u>	<u>10,220</u>
Total Current Liabilities		<u>1,265,053</u>	<u>531,499</u>
Non-Current Liabilities			
Financial Liabilities			
Unsecured:			
Loan - MACA Plant		357,000	360,000
Loans - Other			200,000
Secured:			
Hire Purchase - NAB Crushing Plant		1,622,151	2,317,358
Unexpired Interest - NAB Crushing Plant		<u>(137,542)</u>	<u>(271,229)</u>
		<u>1,841,608</u>	<u>2,606,129</u>
Total Non-Current Liabilities		<u>1,841,608</u>	<u>2,606,129</u>

1001

Jack Hills Crushing Pty Ltd
ABN 83 121 360 343
Detailed Balance Sheet As At 30 June 2008

	Note	2008 \$	2007 \$
Total Liabilities		<u>3,106,662</u>	<u>3,137,628</u>
Net Assets		<u>90,873</u>	<u>23,917</u>
 Equity			
Issued Capital			
Issued & paid up capital		70	70
Retained profits / (accumulated losses)		<u>90,803</u>	<u>23,847</u>
Total Equity		<u>90,873</u>	<u>23,917</u>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JACK HILLS CRUSHING PTY LTD

Report on the Financial Report

We have audited the accompanying special purpose financial report of Jack Hills Crushing Pty Ltd (the company), which comprises the balance sheet as at 30 June 2008, the profit and loss statement for the year ended on that date, notes to the financial statements and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the financial report of Jack Hills Crushing Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.



NEIL PACE
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 14th day of October 2010.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF JACK HILLS CRUSHING PTY LTD**

I declare, that to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.



**NEIL PACE
PARTNER**



**MOORE STEPHENS
CHARTERED ACCOUNTANTS**

Signed at Perth this 14th day of October 2010.