

# Financial Statements

ADGEX LIMITED

ABN 61 156 556 035

For the year ended 30 June 2015

Prepared by Agilis Accountants and Advisors

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# Directors' Report

## ADGEX LIMITED

The directors present their report together with the financial report of Adgex Limited for the year ended 30 June 2015 and the auditors' report thereon.

### 1. Directors

The directors at any time during or since the financial year are:

	Period as Director
I Dabatouka	1 April 2013 to present
V Uzlov	29 March 2012 to present
S S Mudaliar	1 April 2013 to 26 June 2015
O Uzlova	9 March 2015 to present

### 2. Principal Activity

The principal activity of the company during the financial year is to provide engineering services to resource and infrastructure projects.

### 3. Operating and Financial Review

The company continued to engage in its principal activity during the financial year. The net result for the company was a loss of \$2,600,518 (2014; Loss of \$412,654).

### 4. Dividends

The company did not pay any dividends.

### 5. State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

### 6. Events Subsequent to Reporting Date

There has not risen in the interval between the end of financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company to significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### 7. Likely Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

### 8. Environment Regulations

The company's operations are not subject to any significant environment regulations under Australian Law.



**9. Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the financial year ended 30 June 2015.

Signed in accordance with a resolution of Directors.

Director's

*O. V. / Oxana Uzlova*  
*V. / Victor Uzlov*

Dated:

*IHAR DUBATOLRA*

*20/06/2016*

Level 6, 350 Kent Street  
Sydney NSW 2000

75 Lyons Road  
Drummoyne NSW 2047

# K.S. Black & Co.

Chartered Accountants

ABN 57 446 398 808

20 Grose Street  
North Parramatta NSW 2151

PO Box 2210  
North Parramatta NSW 1750

## Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the directors of Adgex Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2015 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.

KS Black & Co  
Chartered Accountants



Scott Bennison  
Partner

Sydney

Dated: 20/6/16



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Phone 02 8839 3000 Fax 02 8839 3055

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## Directors Declaration

**ADGEX LIMITED**

**For the year ended 30 June 2015**

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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.

Director: Victor Uzlov

Sign date:

Director: Oxana Uzlova

Sign date:

Director: Ihar Dubatouka

Sign date:

# Statement of Profit or Loss and other comprehensive Income

## ADGEX LIMITED

For the year ended 30 June 2015

	NOTES	2015	2014
<b>Other Income</b>			
Interest Received		101	-
<b>Total Other Income</b>		<b>101</b>	<b>-</b>
<b>Total Income</b>		<b>101</b>	<b>-</b>
<b>Expenses</b>			
Impairment expense on intellectual property		2,250,000	-
Consulting, Management and other expenses		350,620	412,654
<b>Total Expenses</b>		<b>2,600,620</b>	<b>412,654</b>
<b>Profit/(Loss) before Income Tax</b>		<b>(2,600,518)</b>	<b>(412,654)</b>
<b>Profit/(Loss) after Income Tax</b>		<b>(2,600,518)</b>	<b>(412,654)</b>

The accompanying notes form part of these financial statements.

# Statement of Financial Position

**ADGEX LIMITED**

**As at 30 June 2015**

	NOTES	30 JUN 2015	30 JUN 2014
<b>Assets</b>			
<b>Current Assets</b>			
Receivables		362	362
Cash and Cash Equivalents		1,152	21
Loans to Directors		33,320	-
<b>Total Current Assets</b>		<b>34,834</b>	<b>383</b>
<b>Non-Current Assets</b>			
Intellectual property		79,486,585	62,410,221
Less impairment expense on intellectual property		(2,250,000)	-
<b>Total Non-Current Assets</b>		<b>77,236,585</b>	<b>62,410,221</b>
<b>Total Assets</b>		<b>77,271,419</b>	<b>62,410,604</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		(1,507)	27,478
<b>Total Current Liabilities</b>		<b>(1,507)</b>	<b>27,478</b>
<b>Non-Current Liabilities</b>			
Borrowings		22,670	22,670
<b>Total Non-Current Liabilities</b>		<b>22,670</b>	<b>22,670</b>
<b>Total Liabilities</b>		<b>21,163</b>	<b>50,148</b>
<b>Net Assets</b>		<b>77,250,256</b>	<b>62,360,456</b>
<b>Shareholders Equity</b>			
Share Capital		80,337,730	62,847,412
Retained Earnings/Accumulated Funds		(3,087,474)	(486,956)
<b>Total Shareholders Equity</b>		<b>77,250,256</b>	<b>62,360,456</b>

The accompanying notes form part of these financial statements.



# Statement of Changes in Equity

## ADGEX LIMITED

For the Year Ended 30 June 2015

	2015	2014
<b>Total equity at the Beginning of the Financial Period</b>	62,360,456	51,959,081
Share capital subscribed	17,490,318	10,814,029
Loss for the year	(2,600,518)	(412,654)
<b>Total Equity at the End of the Financial Year</b>	<b>77,250,256</b>	<b>62,360,456</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flow

## ADGEX LIMITED For the Year Ended 30 June 2015

	2015	2014
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers		0
Cash paid to suppliers and employees	(350,620)	(412,654)
Net Cash (Used in)/Provided by Operating Activities	(350,620)	(412,654)
<b>Cash Flow from Investing Activities</b>		
Payments relating to non-current assets	0	(8,748,888)
Net Cash Used in Investing Activities	0	(8,748,888)
<b>Cash Flow from Financing Activities</b>		
Share Subscription	351,650	9,156,433
Interest received	101	
Net Cash Provided by Financing Activities	351,751	9,156,433
(Decrease)/Net Increase in Cash and Cash Equivalents	1,131	(5,109)
Cash and cash equivalents at the beginning of the financial year	21	5,130
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<b>1,152</b>	<b>21</b>

<b>Reconciliation to loss after income tax</b>	
Loss after taxation	(2,600,518)
Adjustments made for:	
Decrease in intellectual property	2,250,000
Interest received	(101)
Net Cash (Used in)/Provided by Operating Activities	(350,620)

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## ADGEX LIMITED

For the year ended 30 June 2015

### 1. Statement of Significant Accounting Policies

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

Where necessary comparatives have been reclassified to ensure consistency and conformity to reporting requirements. As per para 6.3 AAS 37 *Financial Report Presentation and Disclosures* no changes have been made on the face of the financial statements where this would require an adjustment to be made to the balance of retained profits or accumulated losses as at the end of the preceding reporting period.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 30 June 2015. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2015. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

#### Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

#### Cash and Cash Equivalents

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

### Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

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

### Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

### Intellectual Property

Intellectual Property comprises of patents, trademarks, industrial design and copyright held outside of Australia. We were unable to acquire a breakdown of intellectual property held as such are not in a position to provide a valuation based on the acceptable methodologies as described by AASB 138 *Intangible Assets*. Valuation is determined by the directors of the company. The directors are currently in the process of reviewing intellectual property for impairment purposes consistent with AASB 136 *Impairment of Assets*.



### Related Party Transactions

The company's related parties are its directors. The directors during the financial year were:

I Dabatouka	1 April 2013 to 30 June 2015
V Uzlov	29 March 2012 to 30 June 2015
S S Mudaliar	1 April 2013 to 26 June 2015
O Uzlova	9 March 2015 to 30 June 2015

Related parties transaction details:

Date	Detail	Amount
05/09/2014	Loan to Victor Uzlov	3,073.78
15/09/2014	Loan to Victor Uzlov	5,000.00
23/02/2015	Loan to Victor Uzlov	16,000.00
31/03/2015	Loan to Victor Uzlov	1,927.58
09/04/2015	Medibank private insurance premium	530.90
15/05/2015	Medibank private insurance premium	567.05
15/06/2015	Medibank private insurance premium	567.05
30/06/2015	Wages adjustment for Victor Uzlov	5,155.61
Various	Personal expenses of Victor Uzlov paid by company	497.61
Total loan to directors		33,319.58