

Financial Statements

ADGEX LIMITED

ABN 61 156 556 035

For the year ended 30 June 2017

Prepared by Agilis Accountants and Advisors

CONTENTS

Directors' Report	1
Lead Auditors' Independence Declaration	3
Independent Auditor's Report	4
Director's Declaration	6
Statement of Profit or Loss and other Comprehensive Income	7
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flow	11
Notes to the Financial Statements	12
Depreciation Schedule	15

Directors' Report

ADGEX LIMITED

The directors present their report together with the financial report of Adgex Limited for the year ended 30 June 2017 and the auditors' report thereon.

1. Directors

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

Period as Director

V Uzlov	29 March 2012 to present
I Dabatouka	01 April 2013 to 07 October 2016
O Uzlova	09 March 2015 to present
J Singh	07 October 2016 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 \$224,273 (2016; Loss of \$289,410).

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. Remuneration for Directors

The Remuneration for the Directors of ADGEX Limited have been accrued, however, the payments have not been paid yet. Amounts of remuneration will be paid out from the future investments into the company

10. 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 2017.

Signed in accordance with a resolution of Directors.

Director



Dated:

10/11/2017

Lead Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

ADGEX LIMITED

To the directors of the 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 2017 there has 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

Stuart Cameron

Sydney

Date:

Directors Declaration

ADGEX LIMITED

For the year ended 30 June 2017

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2017 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: Jasbir Singh

Sign date

Statement of Profit or Loss and Other Comprehensive Income

ADGEX LIMITED

For the year ended 30 June 2017

	NOTES	2017	2016
Income			
Sales		4,154	2,241
Total Income		4,154	2,241
Other Income			
Interest Received		-	172
Remission of ATO penalty		8,640	-
Total Other Income		8,640	172
Total Income		12,794	2,413
Expenses			
Entertainment		1,807	678
Accountancy Fees		44,045	6,000
Advertising		21,000	-
ATO Penalty		-	10,080
Bank Charges		443	618
Consultancy Fees		558	104,792
Depreciation		976	-
Fees & Charges		5,324	495
Freight & Cartage		-	2,136
General expenses		46	269
GIFT		162	-
Immigration expenses		757	98
Interest Paid		1	52
Management Fees		-	39,000
Motor Vehicle Expenses		7	214
Office Expenses		2,486	577
Printing & Stationery		422	4,090
Registration, Filing Fees		1,808	2,693
Rent		22,879	20,833
Staff Training & Welfare		1,416	645
Subcontractors		14,840	10,314
Subscriptions		-	36
Telephone & Internet		1,026	718
Travelling Expenses		1,715	2,164
Travelling expenses - overseas		73,749	43,719
Wages - OXANA UZLOVA		20,800	20,800
Wages - Victor Uzlov		20,800	20,800
Total Expenses		237,066	291,822

	NOTES	2017	2016
Profit/(Loss) before Taxation		(224,273)	(289,410)
Net Profit After Tax		(224,273)	(289,410)
Net Profit After Dividends Paid		(224,273)	(289,410)

Statement of Financial Position

ADGEX LIMITED

As at 30 June 2017

	NOTES	30 JUN 2017	30 JUN 2016
Assets			
Current Assets			
Business Transaction Account		11,701	84
Loans to Directors		53,909	12,191
Receivables		362	362
Total Current Assets		65,971	12,637
Non-Current Assets			
Property, plant and equipment		658	-
Intellectual property		80,077,653	80,077,653
Less impairment expense on intellectual property		(2,250,000)	(2,250,000)
Total Non-Current Assets		77,828,311	77,827,653
Total Assets		77,894,283	77,840,290
Liabilities			
Current Liabilities			
GST Account		(26,602)	(6,986)
GST ADJUSTMENT		-	(1,571)
Superannuation Payable		6,776	6,776
Trade and other Payables		-	(121)
Trade Creditor		69,444	69,444
Wages Payable - Victor		20,800	-
Wages Payable - Oxana		20,800	-
Total Current Liabilities		91,217	67,542
Non-Current Liabilities			
Borrowings		22,670	22,670
Loans - Jasbir Singh		65,000	65,000
Total Non-Current Liabilities		87,670	87,670
Total Liabilities		178,887	155,212
Net Assets		77,715,395	77,685,078
Equity			
Share Capital		81,061,962	81,061,962
Retained Earnings		(3,346,567)	(3,376,884)
Total Equity		77,715,395	77,685,078

Statement of Changes in Equity

ADGEX LIMITED

For the Year Ended 30 June 2017

	2017	2016
Total equity at the Beginning of the Financial Period	77,685,078	77,250,256
Share capital subscribed	254,590	724,232
Loss for the year	(224,273)	(289,410)
Total Equity at the End of the Financial Year	77,715,395	77,685,078

Statement of Cash Flow

ADGEX LIMITED For the Year Ended 30 June 2017

	2017	2016
Cash Flows from Operating Activities		
Cash receipts from customers	4,154	2,241
Cash paid to suppliers and employees	(245,492)	(180,379)
Net Cash (Used in)/Provided by Operating Activities	(241,339)	(178,138)
Cash Flow from Investing Activities		
Payments relating to non-current assets	(1,635)	0
Net Cash Used in Investing Activities	(1,635)	0
Cash Flow from Financing Activities		
Share Subscription	254,590	176,898
Interest received	0	172
Net Cash Provided by Financing Activities	254,590	177,070
(Decrease)/Net Increase in Cash and Cash Equivalents	11,616	(1,068)
Cash and cash equivalents at the beginning of the financial year	84	1,152
Cash and Cash Equivalents at the End of the Financial Year	11,700	84
Reconciliation to loss after income tax		
Loss after taxation	(224,273)	
Adjustments made for:		
ATO Penalties Remission	(8,640)	
Depreciation Expenses	976	
Movement in GST	(9,284)	
Movement in loan to director	(118)	
Net Cash (Used in)/Provided by Operating Activities	(241,339)	

Notes to the Financial Statements

ADGEX LIMITED

For the year ended 30 June 2017

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:

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 2017. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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.

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 2017. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

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 balance sheet.

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 07 October 2016
V Uzlov	29 March 2012 to 30 June 2017
O Uzlova	9 March 2015 to 30 June 2017
J Singh	7 October 2016 to 30 June 2017

Related parties transaction details:

Date	Detail	Amount
27/01/2016	Short Loan from Oxana Uzlova from 25/01 and 27/01/2016 - Inv No 011	12,146.30
30/06/2016	Wage Adjustment	44.62
31/05/2017	Loan from Victor - No 052	1,200.00
	Loan from Oxana Uzlova - Inv No 014 - No 019 & No 021	39,380.00
	Personal expenses of Victor and Oxana paid by company	1,138.02
30/06/2017	Wages Payable - victor	-20,800.00
30/06/2017	Wages Payable - Oxana	-20,800.00
	Total loan to directors	12,308.94

Depreciation Schedule

ADGEX LIMITED

For the year ended 30 June 2017

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Plant & Equipment						
Laptop	1,635	-	1,635	-	976	658
Total Plant & Equipment	1,635	-	1,635	-	976	658
Total	1,635	-	1,635	-	976	658