

**REVETEC HOLDINGS LIMITED**

ABN 39 115 621 317

Financial Statements

For the year ended 30 June 2017

**REVETEC HOLDINGS LIMITED**  
**ABN 39 115 621 317**

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**REVETEC LTD**  
**ABN 39 115 621 317**  
**Directors' Report**

Your directors present this report on the company for the financial year ended 30 June 2017.

## **Directors**

The names of the directors in office at the date of this report are :

|                           |  |
|---------------------------|--|
| Mr Dennis Alfred Monamy   | ( Appointed 10 <sup>th</sup> September, 2013 ) |
| Mr Fraser Owen Johnson    | ( Appointed 2 <sup>nd</sup> September, 2013 )  |
| Mr Simon Francis Thompson | ( Appointed 22 <sup>nd</sup> March, 2014 )     |
| Mr William Charles Horton | ( Appointed 1 <sup>st</sup> July, 2015 )       |

## **Review of Operations**

The loss of the company for the financial year ended 30 June, 2017 after providing for income tax amounted to \$ 26,362 ( 2016 - \$ 33,354 loss ).

## **Significant Changes in the State of Affairs**

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

## **Principal Activities**

The principal activities of the company during the course of the year were the continuing development of the internal combustion engine.

No significant change in the nature of these activities occurred during the year.

## **Likely Developments and Expected Results of Operations**

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.

## **Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth and/or of a State or Territory.

**REVETEC LTD**  
**ABN 39 115 621 317**  
**Directors' Report**

**Dividends**

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

**Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report. -

**Indemnifying Officer or Auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

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Mr William Horton

Director

10<sup>th</sup> December, 2018

**K.WESTAWAY & ASSOCIATES**  
ACCOUNTING, TAXATION & BUSINESS SERVICES  
REGISTERED COMPANY AUDITOR

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF REVETEC HOLDINGS LIMITED**

As auditor of the financial statements of Revetec Holdings Limited for the year ended 30 June, 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of :

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Dated at Subiaco, Western Australia this 10<sup>th</sup> day of December, 2018

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**K. WESTAWAY**  
**PRINCIPAL**  
**K. WESTAWAY & ASSOCIATES**

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

|  | Note | 2017<br>\$                  | 2016<br>\$                 |
|--|------|-----------------------------|----------------------------|
| Revenue  | 2    | 22,443                      | 8                          |
| Accountancy expenses   |      | -                           | -                          |
| Auditors remuneration  | 3    | (4,545)                     | -                          |
| Director's fees  |      | -                           | -                          |
| Employee benefits expenses   |      | -                           | -                          |
| Amortisation expense   |      | -                           | -                          |
| Impairment Expense   |      | ( 7,813)                    | ( 11,606)                  |
| Other expenses   |      | <u>( 36,447)</u>            | <u>(21,756)</u>            |
| Loss for the year  |      | ( 26,362)                   | (33,354)                   |
| Total comprehensive income (loss) for the year                                 |      | <u>( 26,362)</u>            | <u>(33,354)</u>            |
| <b>Total comprehensive income (loss) attributable to members of the entity</b> |      | <b><u>\$ ( 26,362 )</u></b> | <b><u>\$ ( 33,354)</u></b> |

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2017**

|   |   | 2017                | 2016                |
|---|---|---------------------|---------------------|
|   |   | \$                  | \$                  |
| <b>Current Assets</b>                   |   |                     |                     |
| Cash assets                             | 4 | 33,803              | 1,895               |
|   |   | -----               | -----               |
|   |   | <u>33,803</u>       | <u>1,895</u>        |
| <b>Non-Current Assets</b>               |   |                     |                     |
| Property, plant and equipment           | 5 | -                   | -                   |
| Patents                                 | 5 | -----               | -----               |
|   |   | -                   | -                   |
| Total Non-Current Assets                |   | -----               | -----               |
|   |   | -                   | -                   |
| <b>Total Assets</b>                     |   | <u>\$ 33,803</u>    | <u>\$ 1,895</u>     |
| <b>Non-Current Liabilities</b>          |   |                     |                     |
| <b>Current Liabilities</b>              |   |                     |                     |
| Trade and other payables                | 6 | 11,849              | 8,062               |
| Provisions                              | 7 | <u>66,396</u>       | <u>66,396</u>       |
| Total Current Liabilities               |   | <u>78,245</u>       | <u>74,458</u>       |
| <b>Total Liabilities</b>                |   | <u>\$ 78,645</u>    | <u>\$ 74,458</u>    |
| <b>Net Assets ( Deficiency)</b>         |   | <u>\$ ( 44,442)</u> | <u>\$ (72,563)</u>  |
| <b>Equity</b>                           |   |                     |                     |
| Issued capital                          | 8 | 15,530,207          | 15,475,724          |
| Retained profits / (Accumulated losses) | 9 | <u>(15,574,649)</u> | <u>(15,548,287)</u> |
| <b>Total Equity ( Deficiency)</b>       |   | <u>\$ ( 44,442)</u> | <u>\$ (72,563)</u>  |

The accompanying notes form part of these financial statements

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

|  | \$                   | Total<br>\$          |
|--|----------------------|----------------------|
| <b>Issued Capital :</b>                  |                      |                      |
| <b>2016</b>                              |                      |                      |
| Balance at 1 July, 2015                  | 15,459,399           |                      |
| Shares Issued during the Year            | 16,325               |                      |
| <b>Balance at 30 June, 2016</b>          | <b>15,475,724</b>    | <b>15,475,724</b>    |
| <b>2017</b>                              |                      |                      |
| Balance at 1 July, 2016                  | 15,475,724           |                      |
| Shares Issued during the Year            | 54,483               |                      |
| <b>Balance at 30 June, 2017</b>          | <b>15,530,207</b>    | <b>15,530,207</b>    |
| <b>Accumulated Losses :</b>              |                      |                      |
| <b>2016</b>                              |                      |                      |
| Balance at 1 July, 2015                  | (15,514,933)         |                      |
| Loss attributable to equity shareholders | (33,354)             |                      |
| <b>Balance at 30 June, 2016</b>          | <b>(15,548,287)</b>  | <b>(15,548,287)</b>  |
| <b>2017</b>                              |                      |                      |
| Balance at 1 July, 2016                  | ( 15,548,287)        |                      |
| Loss attributable to equity shareholders | ( 26,362 )           |                      |
| <b>Balance at 30 June 2017</b>           | <b>(15,574,649 )</b> | <b>(15,574,649 )</b> |
|  | -----                | -----                |
| <b>Total Equity ( Deficiency )</b>       |                      | <b>( \$ 44,442 )</b> |



**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**

**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2017**

|   | 2017                    | 2016                   |
|---|-------------------------|------------------------|
|   | \$                      | \$                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                         |                        |
| Receipts from customers                       | -                       | -                      |
| Receipts from Australian Taxation Office      | 22,071                  | -                      |
| Interest received                             | 372                     | 8                      |
| Payments to suppliers                         | ( 5,040 )               | ( 5,512 )              |
| Net cash from ( used in) operating activities | <u>17,403</u>           | <u>( 5,504 )</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                         |                        |
| Proceeds from the sale of investments         | -                       | -                      |
| Purchase of property plant & equipment        | -                       | -                      |
| Purchase of patents                           | ( 8,595 )               | ( 12,767 )             |
| Net cash used in investing activities         | <u>( 8,595 )</u>        | <u>( 12,767 )</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                         |                        |
| Proceeds from issue of shares                 | 23,100                  | 500                    |
| Proceeds from borrowings                      | -                       | 5,000                  |
| Repayment of borrowings                       | -                       | -                      |
| Net cash provided by financing activities     | <u>23,100</u>           | <u>5,500</u>           |
| <b>Net increase ( decrease) in cash held</b>  | <b>31,908</b>           | <b>( 12,771 )</b>      |
| Cash at the beginning of the year             | <u>1,895</u>            | <u>14,666</u>          |
| Cash at end of financial year                 | <u><b>\$ 33,803</b></u> | <u><b>\$ 1,895</b></u> |

The accompanying notes form part of these financial statements

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

## **Note 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers REVETEC HOLDINGS LIMITED as an individual entity. REVETEC HOLDINGS LIMITED is a company limited by shares, incorporated and domiciled in Australia.

The financial report of REVETEC HOLDINGS LIMITED complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **(A) Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### **(B) Accounting Policies**

#### **Income tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of Benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**REVETEC HOLDINGS LTD**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

a) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms-length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

b) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within REVETEC HOLDINGS LTD includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to REVETEC HOLDINGS LTD commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**REVETEC HOLDINGS LTD**  
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**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

The depreciation rates used for each class of depreciable asset are:

| Class of Asset      | Depreciation Rate % |
|---------------------|---------------------|
| Plant and equipment | 30 %                |
| Software            | 40 %                |
| Low cost Assets     | 100%                |

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### **Impairment of Assets**

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### **Intangibles**

#### **a) Goodwill/rights**

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

### **Employee Benefits**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

### **Provisions**

Provision are recognised when REVETEC HOLDINGS LIMITED has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

### **Revenue**

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

### **Goods and Service 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 Australian Taxation Office. 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

#### *Key estimates - Impairment*

The directors assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**Going Concern**

The company is in the process of acquiring technology and identifying projects with the potential to commercialise that technology. The company has no current source of income other than loan or equity funds from directors, shareholders creditors and / or their associates.

The company is currently solvent by virtue of the directors /shareholders and their associates undertaking to provide continuing financial support by virtue of loan funding or equity to enable the company to pay its debts as and when they fall due.

As a result these accounts have been prepared on a going concern basis subject to the ongoing support of directors, shareholders and their associates.

**Note 2: Revenue and Other Income**

| <b>Revenue</b>                | <b>2017</b>             | <b>2016</b>        |
|-------------------------------|-------------------------|--------------------|
| Sales revenue                 | -                       | -                  |
| Interest received             | 372                     | 8                  |
| R & D Tax Offset              | 9,076                   | -                  |
| Other revenue                 | <u>12,995</u>           | <u>-</u>           |
| <b>Total Revenue</b>          | <b><u>\$ 22,443</u></b> | <b><u>\$ 8</u></b> |
| <b>Interest revenue from:</b> |                         |                    |
| Interest received             | 372                     | 8                  |

**Note 3: Auditors' Remuneration**

Remuneration of the auditor of the company for:

|  |                        |                      |
|--|------------------------|----------------------|
| Auditing or reviewing the financial report | 4,545                  | -                    |
| Other services                             | <u>-</u>               | <u>-</u>             |
|  | <b><u>\$ 4,545</u></b> | <b><u>\$ Nil</u></b> |

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**Note 4: Cash and Cash Equivalents**

Bank accounts:

|                            |                         |                        |
|----------------------------|-------------------------|------------------------|
| Cash at bank – WBC CMA     | 33,508                  | 1,888                  |
| Cash at bank – Maxi Direct | 295                     | 7                      |
|                            | -----                   | -----                  |
|                            | <b><u>\$ 33,803</u></b> | <b><u>\$ 1,895</u></b> |

**Note 5: Property, Plant & Equipment**

|                                    |                      |                      |
|------------------------------------|----------------------|----------------------|
| Plant & equipment at cost          | 138,437              | 138,437              |
| Accumulated depreciation           | (138,437)            | (138,437)            |
| Patents at cost                    | 108,157              | 100,344              |
| Accumulated amortisation           | ( 31,379)            | ( 31,379)            |
| Impairment Expense                 | ( 76,778)            | (68,965)             |
|                                    | -----                | -----                |
| <b>Total Plant &amp; Equipment</b> | <b><u>\$ Nil</u></b> | <b><u>\$ Nil</u></b> |

**Note 6: Trade & Other Payables****Current**

|                           |                         |                        |
|---------------------------|-------------------------|------------------------|
| Trade creditors           | 6,132                   | 2,643                  |
| Unsecured loan - Director | 5,717                   | 5,419                  |
|                           | -----                   | -----                  |
|                           | <b><u>\$ 11,849</u></b> | <b><u>\$ 8,062</u></b> |

**Note 7: Provisions**

|                                     |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Provision for superannuation        | 66,396                  | 66,396                  |
|                                     | -----                   | -----                   |
| <b>Total provisions</b>             | <b><u>66,396</u></b>    | <b><u>66,396</u></b>    |
| <b>Analysis of total provisions</b> |                         |                         |
| Current                             | <b><u>\$ 66,396</u></b> | <b><u>\$ 66,396</u></b> |

**REVETEC HOLDINGS LTD**  
**ABN 39 115 621 317**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2017**

**Note 8: Issued Capital**

|  |                             |                      |
|--|-----------------------------|----------------------|
| Fully paid ordinary shares   | <u>\$ 15,530,207</u>        | <u>\$ 15,475,724</u> |
| Balance 30 June, 2016  | 15,475,724                  |                      |
| Issue of Shares to Directors and others<br>( in lieu of wages paid ) | 31,383                      |                      |
| Issue of Shares for cash   | <u>23,100</u>               |                      |
| <b>Balance 30 June, 2017</b>   | <b><u>\$ 15,530,207</u></b> |                      |

There are no externally imposed capital requirements.

There have been no changes in strategy adopted by management to control the capital of the company since the prior year.

**Note 9: Accumulated Losses**

|  |                               |                               |
|--|-------------------------------|-------------------------------|
| Accumulated losses at the beginning of<br>The financial year | (15,548,287)                  | (15,514,933)                  |
| Net profit (loss) attributable to members of the company     | <u>( 26,362)</u>              | <u>( 33,354)</u>              |
| Accumulated losses at the end of the financial year          | <b><u>(\$ 15,574,649)</u></b> | <b><u>(\$ 15,548,287)</u></b> |



**REVETEC HOLDINGS LTD  
ABN 39 115 621 317**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date;
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.

---

Mr William Horton

Director

10<sup>th</sup> December, 2018

**K.WESTAWAY & ASSOCIATES**  
ACCOUNTING, TAXATION & BUSINESS SERVICES  
REGISTERED COMPANY AUDITOR

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
REVETEC HOLDINGS LIMITED**

***Audit Opinion***

I have audited the accompanying financial report of Revetec Holdings Limited ( "the Company" ) which comprises the Statement of Financial Position as at 30 June, 2017, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, accompanying notes to the financial statements, and the Directors' Declaration.

In my opinion, the accompanying financial report of Revetec Holdings Limited 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, 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

***Basis for Opinion***

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with 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 the audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

***Material Uncertainty Related to Going Concern***

Without modification to the audit opinion expressed above, attention is drawn to the following matter :

As referred to in Note 1 to the financial report, the financial report has been prepared on a going concern basis. At 30 June, 2017 the Company had a deficiency of net assets of \$ 44,442 ( 2016 - \$ 72,563 deficiency), and incurred an operating loss for the year ended 30 June, 2017 of \$ 26,362 ( 2017 - \$ 33,354 loss ).

The company currently has no current source of income, other than loan and equity funding from directors and shareholders. The ability of the Company to continue as a going concern is dependant on this continued financial support.

The ability of the company to continue as a going concern and meet the planned project review, administration and other commitments is subject to the successful commercialisation of the company's intellectual property assets and the ability of the directors to raise further working capital as required from traditional sources to finance its ongoing operations.

In the event that the Company is not successful in the commercialisation of its intellectual property assets, and / or the directors are not successful in raising further capital, the company may not be able to continue as a going concern, and therefore realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

### ***Responsibilities of Management and Those Charged with Governance 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 in accordance with Australian Accounting Standards, and the *Corporations Act, 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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.

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

My 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 my 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 the financial report.

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

- Identify and assess the risks of material misstatements 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 my 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However future events or conditions may cause the Corporation 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Dated at Subiaco this 10<sup>th</sup> day of December, 2018

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**K. WESTAWAY**  
**PRINCIPAL**  
**K. WESTAWAY & ASSOCIATES**