

**Marrakech Road Pty Ltd
and controlled entities**

ABN 45 165 867 372

Consolidated Financial report
For the period ended 29 June 2014

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MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 29 JUNE 2014

	Note	June 2014 \$
Revenue and other income		
Sales revenue		31,326,707
Other revenue		7,823,306
Other income		<u>48,082</u>
		<u>39,198,095</u>
Less: expenses		
Direct Labour		(17,617,819)
Depreciation and amortisation expense	2	(790,668)
Occupancy expense		(7,745,805)
Finance costs	2	(163,006)
Equipment hire		(1,776,925)
Overheads		(2,590,682)
Loss on sale of Fixed Assets		(46,024)
Other expenses		<u>(2,781,845)</u>
		<u>(33,512,774)</u>
Profit before income tax expense		5,685,321
Income tax benefit	3	<u>574,363</u>
Net profit from continuing operations		<u>6,259,684</u>
Other comprehensive income for the period		<u>-</u>
Total comprehensive income		<u>6,259,684</u>

The accompanying notes form part of these financial statements.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

STATEMENT OF FINANCIAL POSITION
AS AT 29 JUNE 2014

	Note	June 2014
		\$
Current assets		
Cash and cash equivalents	4	1,887,728
Receivables	5	13,424,161
Other assets	7	<u>1,534,076</u>
Total current assets		<u>16,845,965</u>
Non-current assets		
Deferred tax assets	3	2,230,163
Property, plant and equipment	6	<u>7,910,271</u>
Total non-current assets		<u>10,140,434</u>
Total assets		<u>26,986,399</u>
Current liabilities		
Payables	8	7,395,032
Borrowings	9	1,244,064
Provisions	10	3,257,924
Other liabilities	11	<u>39,648</u>
Total current liabilities		<u>11,936,668</u>
Non-current liabilities		
Provisions	10	<u>2,290,047</u>
Total non-current liabilities		<u>2,290,047</u>
Total liabilities		<u>14,226,715</u>
Net assets		<u>12,759,684</u>
Equity		
Share capital	12	6,500,000
Retained earnings	13	<u>6,259,684</u>
Total equity		<u>12,759,684</u>

The accompanying notes form part of these financial statements.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 JUNE 2014

	Contributed equity \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2013	-	-	-
Profit for the period	-	6,259,684	6,259,684
Total comprehensive income for the period	-	6,259,684	6,259,684
Transactions with owners in their capacity as owners:			
Contributions	6,500,000	-	6,500,000
Total transactions with owners in their capacity as owners	6,500,000	-	6,500,000
Balance as at 30 June 2014	6,500,000	6,259,684	12,759,684

The accompanying notes form part of these financial statements.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 JUNE 2014

	Note	June 2014 \$
Cash flow from operating activities		
Receipts from customers		33,849,308
Payments to suppliers and employees		(34,676,849)
Finance costs		<u>(163,006)</u>
Net cash provided by / (used in) operating activities	14(b)	<u>(990,547)</u>
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment		168,614
Payment for property, plant and equipment		(236,847)
Payment for investments		<u>(5,300,000)</u>
Net cash provided by / (used in) investing activities		<u>(5,368,233)</u>
Cash flow from financing activities		
Proceeds from share issue		6,500,000
Proceeds from borrowings		<u>1,244,064</u>
Net cash provided by financing activities		<u>7,744,064</u>
Reconciliation of cash		
Cash at beginning of the period		502,444
Net increase in cash held		<u>1,385,284</u>
Cash at end of period	14(a)	<u><u>1,887,728</u></u>

The accompanying notes form part of these financial statements.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the borrowing facilities. The directors have determined that Marrakech Road Pty Ltd and its controlled entities are not a reporting entity.

The financial report is for the entity Marrakech Road Pty Ltd as an individual entity and its controlled entities. Each entity is incorporated and domiciled in Australia.

The financial report has been prepared in accordance with all applicable Accounting Standards, with the exception of:

AASB 7:	Financial Instruments: Disclosures
AASB 101:	Presentation of Financial Statements
AASB 124:	Related Party Disclosures
AASB 136:	Impairments of Assets

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

The consolidated financial statements are a combination of the entities listed below, comprising the financial statements of each of the entities within the group.

Marrakech Road Pty Ltd and controlled entities comprises the following entities:

- Marrakech Road Pty Ltd;
- Kagan SPV Pty Ltd;
- Kagan Bros. Storage Pty. Limited;
- Kagan Bros. (Vic) Pty Limited.
- Silk Contract Logistics Pty Ltd;
- Hoffmann SPV Pty Ltd; and
- R. Hoffmann & Co. Proprietary Limited.

The financial statements of all entities are prepared for the same reporting period using consistent accounting policies except where stated in Note 1(k). Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which ultimate control is transferred Marrakech Road Pty Ltd and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position respectively.

(c) Revenue

Revenue from sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

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

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on a cost basis.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated.

(g) Provisions

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

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(j) Borrowing costs

Borrowing costs including interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset are capitalised until the asset is ready for its intended use or sale.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Comparatives

The consolidated accounts have been prepared from the date of change in ownership or incorporation and reflect the following entities for the periods specified below:

Marrakech Road Pty Ltd - 18 September 2014 - 29 June 2014
Kagan SPV Pty Ltd - 24 February 2014 - 29 June 2014
Kagan Bros. Storage Pty. Limited - 24 February 2014 - 29 June 2014
Kagan Bros. (Vic) Pty. Limited - 24 February 2014 - 29 June 2014
Silk Contract Logistics Pty Ltd - 24 February 2014 - 29 June 2014
Hoffmann SPV Pty Ltd - 24 February 2014 - 29 June 2014
R. Hoffmann & Co. Proprietary Limited - 24 February 2014 - 29 June 2014

NOTE 2: OPERATING PROFIT

Profit / (losses) before income tax has been determined after:

Net gain on disposal of non-current assets:	
- Profit on sale of property, plant and equipment	48,082
Finance costs	163,006
Depreciation	703,557
Amortisation	126,676
Bad and doubtful debts	(755)
Net loss on disposal of non-current assets	
- Loss on sale of property, plant and equipment	46,024

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014
 \$

NOTE 3: INCOME TAX

(a) Components of tax expense

Deferred tax	(574,363)
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(b) Prima facie tax payable

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

Prima facie income tax payable on profit before income tax at 30.0%	1,705,596
Less tax effect of:	
Gain on bargain purchase	2,279,959
	2,279,959
Income tax expense attributable to profit	(574,363)

(c) Deferred tax

Deferred tax relates to the following:

Deferred tax assets

The balance comprises:

Tax losses carried forward	499,727
Employee benefits	996,131
Lease incentives	668,261
Accruals	66,044

The balance comprises:

Net deferred tax assets	2,230,163
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(d) Deferred income tax (revenue)/expense included in income tax expense comprises

Increase in deferred tax assets	(574,363)
Acquired deferred tax assets	(1,655,800)
	(2,230,163)

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	3,000
Cash at bank	384,728
Cash on deposit	1,500,000
	1,887,728

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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014
\$

NOTE 5: RECEIVABLES

CURRENT

Trade debtors	13,180,281
Sundry debtors	<u>243,880</u>
	<u><u>13,424,161</u></u>

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	8,402,923
Accumulated depreciation	<u>(4,764,848)</u>
	3,638,075
Motor vehicles at cost	2,311,513
Accumulated depreciation	<u>(1,617,596)</u>
	693,917
Office equipment at cost	325,981
Accumulated depreciation	<u>(201,084)</u>
	124,897
Furniture, fixtures and fittings at cost	8,553
Accumulated depreciation	<u>(8,553)</u>
	-
Computer equipment at cost	6,946,364
Accumulated depreciation	<u>(4,595,334)</u>
	2,351,030
Trailer assets at cost	1,831,253
Accumulated depreciation	<u>(728,901)</u>
	<u>1,102,352</u>
Total property, plant and equipment	<u><u>7,910,271</u></u>

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014

\$

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Plant and equipment

Acquired upon acquisition	3,755,953
Additions	199,657
Disposals	(73,042)
Depreciation expense	<u>(244,493)</u>
Closing carrying amount	<u><u>3,638,075</u></u>

Motor vehicles

Acquired upon acquisition	783,624
Additions	-
Disposals	(17,794)
Depreciation expense	<u>(71,913)</u>
Closing carrying amount	<u><u>693,917</u></u>

Office equipment

Acquired upon acquisition	133,251
Additions	8,589
Disposals	(8,594)
Depreciation expense	<u>(8,349)</u>
Closing carrying amount	<u><u>124,897</u></u>

Computer equipment

Acquired upon acquisition	2,644,144
Additions	28,601
Disposals	(2,894)
Depreciation expense	<u>(318,821)</u>
Closing carrying amount	<u><u>2,351,030</u></u>

Trailers

Acquired upon acquisition	1,180,541
Disposals	(18,208)
Depreciation expense	<u>(59,981)</u>
Closing carrying amount	<u><u>1,102,352</u></u>

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014
\$

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (Continued)

Total property, plant and equipment

Acquired upon acquisition	8,497,513
Additions	236,847
Disposals	(120,532)
Depreciation expense	<u>(703,557)</u>
Carrying amount at 30 June	<u>7,910,271</u>

NOTE 7: OTHER ASSETS

CURRENT

Prepayments	978,738
Accrued income	88,678
Deferred Assets	<u>466,660</u>
	<u>1,534,076</u>

NOTE 8: PAYABLES

CURRENT

Trade creditors	4,956,228
Amounts payable to:	
Other creditors	209,304
Accrued expenses	<u>2,229,500</u>
	<u>7,395,032</u>

NOTE 9: BORROWINGS

CURRENT

Finance Facility	<u>1,244,064</u>
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MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

	June 2014 \$
NOTE 10: PROVISIONS	
CURRENT	
Employee benefits	(a) 2,818,992
Lease Incentive Provision	<u>438,932</u>
	<u><u>3,257,924</u></u>
NON CURRENT	
Employee benefits	(a) 501,443
Lease Incentive Provision	<u>1,788,604</u>
	<u><u>2,290,047</u></u>
(a) Aggregate employee benefits liability	3,320,435
(b) Reconciliations	
Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year	
<i>Employee Benefits</i>	
Amounts Acquired	3,145,304
Additional amounts recognised	749,720
Amounts used	<u>(574,589)</u>
Closing balance	<u><u>3,320,435</u></u>
<i>Lease Incentives</i>	
Amounts Acquired	2,089,114
Additional amounts recognised	<u>138,422</u>
Closing balance	<u><u>2,227,536</u></u>
NOTE 11: OTHER LIABILITIES	
CURRENT	
Deferred income	<u><u>39,648</u></u>
NOTE 12: SHARE CAPITAL	
Issued and paid-up capital	
Contributed Equity	<u><u>6,500,000</u></u>

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014
 \$

NOTE 13: RETAINED EARNINGS

Net profit	<u>6,259,684</u>
	<u>6,259,684</u>

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	3,000
Cash at bank	384,728
At call deposits with financial institutions	<u>1,500,000</u>
	<u>1,887,728</u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit from ordinary activities after income tax	6,259,684
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Adjustments and non-cash items

Amortisation	126,676
Depreciation	703,557
Net (gain) / loss on disposal of property, plant and equipment	(48,082)
Bargain acquisition	(7,599,863)
Straight line lease	138,422

Changes in assets and liabilities

(Increase) / decrease in receivables	(238,028)
(Increase) / decrease in other assets	(255,456)
Increase / (decrease) in payables	522,600
(Increase) / decrease in deferred taxes	(574,363)
Increase / (decrease) in provisions	<u>(25,694)</u>
Cash flows from operating activities	<u>(990,547)</u>

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

NOTE 15: BUSINESS COMBINATIONS

On 24 February 2014, Marrakech Road Pty Ltd acquired 100% of the share capital of Kagan SPV Pty Ltd and Hoffmann SPV Pty Ltd.

The primary reason for the business combination was to gain market share within the industry.

Details of the transaction were:

	\$
Consideration and costs paid	<u>5,300,000</u>
Total consideration	<u><u>5,300,000</u></u>

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Recognised on acquisition at fair value \$
Assets and liabilities held at acquisition date:	
- Trade receivables	12,533,507
- Prepayments	1,138,353
- Property, plant and equipment	8,497,512
- Other assets	1,284,131
- Trade creditors	(6,734,549)
- Provisions	(3,145,304)
- Other liabilities	(240,473)
- Lease Incentive	(2,089,114)
- Future Income Tax Benefit	<u>1,655,800</u>
Net assets acquired	<u><u>12,899,863</u></u>

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 JUNE 2014

June 2014
\$

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	18,354,743
- later than one year and not later than five years	45,018,621
- later than five years	<u>13,830,963</u>
	<u>77,204,327</u>

Lease of warehousing premises and operating machinery.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 29 June 2014 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 29 June 2014, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 29 June 2014, of the group.

NOTE 18: ENTITY DETAILS

The registered office of Marrakech Road Pty Ltd and its controlled entities is:

Marrakech Road Pty Ltd and controlled entities

676 Kororoit Creek Road

Altona North VIC 3025

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

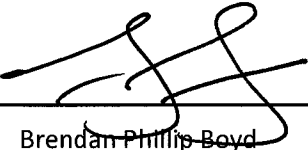
The directors have determined that Marrakech Road Pty Ltd and its controlled entities are not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of each of the entities within the group declare that:

1. The financial statements and notes, as set out on pages 1 - 17,
 - (a) comply with Accounting Standards in Australia as detailed in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 29 June 2014 and performance for the period ended on that date of the consolidated entity 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 each of the entities within the group 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: 
Terry Andrew Sinclair

Director: 
Brendan Phillip Boyd

Dated this 30th day of October 2014

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
ABN 45 165 867 372

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES

We have audited the accompanying financial report, being a special purpose financial report, of Marrakech Road Pty Ltd and controlled entities which comprises the consolidated statements of financial position as at 29 June 2014, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the group, comprising all the entities within the group at year's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of each of the entities within the group 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 1 to the financial report is appropriate to meet the requirements of the borrowing facilities and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 company's preparation of the financial report that gives a true and fair view 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. 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.

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 APES 110 *Code of Ethics for Professional Accountants*.

MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES
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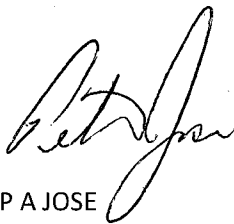
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARRAKECH ROAD PTY LTD AND CONTROLLED ENTITIES

Opinion

In our opinion the financial report of Marrakech Road Pty Ltd and controlled entities presents fairly, in all material respects, the consolidated group's financial position at 29 June 2014, its performance and its cash flows for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities of the borrowing facilities. As a result, the financial report may not be suitable for another purpose.



P A JOSE

Partner



PITCHER PARTNERS

Melbourne

31 October 2014