

# Business Valuations Online

Your Business Valuation Report



business  
valuations  
online

Owner Director  
Lighting Store Pty Ltd (SAMPLE)  
10 somethingorother Court  
Yamba SA 5340  
Australia

Our Ref: BVO000662  
26 Apr 2022  
Sent by email to: valid@email.com

## YOUR ENTITY VALUATION REPORT

Dear SIR/MADAM,

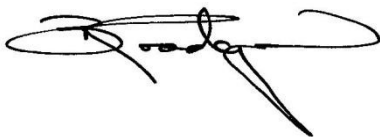
I refer to your instruction received via our website [www.businessvaluations.online](http://www.businessvaluations.online), and note that you have agreed with our terms of engagement by checking the “agreed” box.

I am a Director of Business Valuations Online Pty Ltd (BVO), and you have requested that I prepare a Limited Scope Entity Valuation Report, as defined by APES 225, pertaining to the value of the business known as Lighting Store Pty Ltd (SAMPLE).

All analysis that has been conducted has been in accordance and as a result of the information and data provided by you. No audit or checking other than as specifically noted within the body of this report has been conducted. As such, BVO does not warrant the accuracy of any analysis where the errors are as the result of incorrect information supplied to us for the purposes of this report.

Please find attached your Business Valuation Report as requested. Please note the listing of information supplied and relied upon for the purposes is attached as Appendix A and Appendix B to the report.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Brett Goodyer', with a stylized flourish at the end.

Brett Goodyer  
Director  
FCPA B.Com MForAccy

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Limited Scope Entity Valuation Report

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**LIGHTING STORE PTY LTD (SAMPLE)**

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As requested by Owner Director of Lighting Store Pty Ltd (SAMPLE)

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## Limited Scope Entity Valuation Report Overview

This report complies with the requirements of APES 225 – Valuation Services.

Note that this report does not constitute an independent expert report and it does not fully comply with the requirements of APES 215 – Forensic Accounting Services, the Professional Code of Practice of CPA Australia and the Institute of Chartered Accountants of Australia and New Zealand and is for providing an indicative market value of the subject business.

All inquiries have been made for the purposes of this report that the writer believes necessary and appropriate. No relevant matters have been omitted from this report unless specifically stated. It is the writer's belief that the facts within his knowledge stated in this report are true and the opinions expressed are independent and impartial.

If any of the information relied upon is found to be either inaccurate or incomplete, or further information is provided, the writer reserves the right to revisit any conclusions in this report and amend it if necessary.

As a 'limited scope' report the scope has intentionally been limited to provide an estimate of business and/or entity values for the purpose of negotiation and settlement. Analysis and investigations have been abbreviated and detailed discussion of key valuation points have been bypassed in the interests of brevity, moving instead directly to conclusions.

## The Valuation Process

As shown at Appendix A, the information provided has been collated and subsequently relied upon in this valuation engagement. This information consisted of both financial and non-financial information pertaining to the subject business' past financial performance (profit and loss reports), its current financial position (the most recent balance sheet), and various other information pertaining to both quantitative and qualitative aspects of the business.

The approach to valuing the business applied is to seek to determine what a hypothetical, informed, willing but not anxious buyer of the shares would pay to an informed, willing but not anxious seller in an open market, where the parties are acting on an arm's length basis. This valuation measure is referred to as 'fair market value'.

By adopting such an approach in relation to the valuation of the business, the report determines the fair market value of the business.

Every business is different and possesses its own idiosyncrasies, which means that no two business valuations are ever the same.

However, the approach to valuing businesses is uniform and consists of the following steps:

- Peruse all materials provided prior to commencement of valuation calculations;
- Undertake research in relation to the current economic conditions facing the specific market of the subject business;
- Examine the financial performance of the business over recent years in the context of all materials provided (including any commentary provided by business owners, advisers or management as supplied);
- Select a valuation methodology that is most applicable to the business (refer to Appendix D for a listing of available methodologies);
- Undertake valuation calculations (including making any adjustments to financial statements to reflect a hypothetical arms-length transaction);
- Review and double-check valuation calculations; and,
- Provide the valuation report, including conclusions as to fair market value.

## Assumptions and Disclaimers

All information, including the financial statements and other financial reports that have been provided for the purposes of this report is true and correct, including those stated at Appendix A and Appendix B of this report.

Neither BVO, nor any of its related entities are the auditors of, or the accountants for, any of the entities or individuals referred to in this report. We have not audited or otherwise sought to verify any of the information with which we have been provided and utilised in preparing this assessment, no opinion is expressed with regard to the reliability of the information with which has been provided and upon which this valuation is based.

Further assumptions are discussed throughout this report as required.

This appraisal is based upon the relevant prevailing market, economic and other conditions. Conditions can vary significantly over short periods of time and any subsequent changes in these conditions could impact upon the value, either positively or adversely.

No attempt has been made to independently confirm the financial information upon which this report is based and accordingly express no opinion as to its truth or accuracy.

The financial information relied upon has been analysed and utilised for the purposes of the calculations and assessments herein. Where necessary, this information has been subject to various procedures and adjustments as considered necessary in the professional judgment of the writer of this report.

## Background

### **Main Business Location**

### **Entity Type**

Electrical and Lighting Stores in Australia

**ABN:** 111222333444

### **Primary Business**

Per your responses to our online questionnaire, you have advised that Lighting Store Pty Ltd (SAMPLE) is located in and that it operates in the Electrical and Lighting Stores in Australia industry.

## Valuation of the Entity

This appraisal is based upon the relevant prevailing market, economic and other conditions. Conditions can vary significantly over short periods of time and any subsequent changes in these conditions could impact upon the value, either positively or adversely.

No attempt has been made to independently confirm the financial information upon which this report is based and accordingly express no opinion as to its truth or accuracy.

The financial information relied upon has been analysed and utilised for the purposes of the calculations and assessments herein. Where necessary, this information has been subject to various procedures and adjustments as considered necessary in the professional judgment of the writer of this report.



## Overview of the Industry

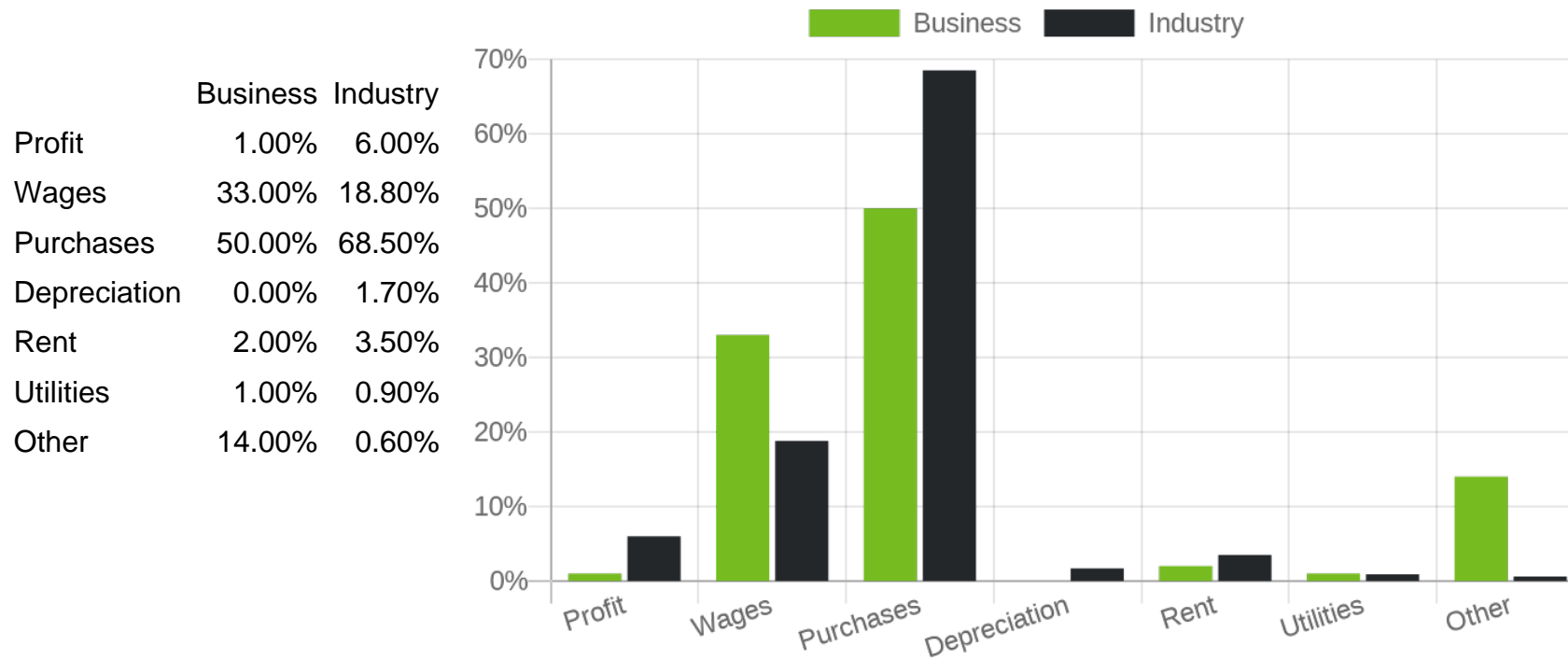
You have indicated that Lighting Store Pty Ltd (SAMPLE) operates in the Electrical and Lighting Stores in Australia industry. An analysis of the Electrical and Lighting Stores in Australia industry provides the following key industry insights:

<b>Revenue</b> <b>\$2.03bn</b>	<b>Profit</b> <b>\$121.59m</b>	<b>Avg Turnover</b> <b>\$1.60m</b>	
<b>Businesses</b> <b>1268</b>	<b>Avg # Employees</b> <b>5.00</b>	<b>Avg Revenue / Employee</b> <b>\$320.00k</b>	
<b>Life Cycle Stage</b> <b>Decline</b>	<b>Revenue Volatility</b> <b>Steady</b>	<b>Capital Intensity</b> <b>Low</b>	<b>Technology Change</b> <b>Medium</b>
<b>Growth Risk Level</b> <b>Medium</b>	<b>Sensitivity Risk Level</b> <b>Medium - Low</b>	<b>Structural Risk Level</b> <b>Medium</b>	<b>Overall Risk Level</b> <b>Medium - Low</b>

## Overview of Business

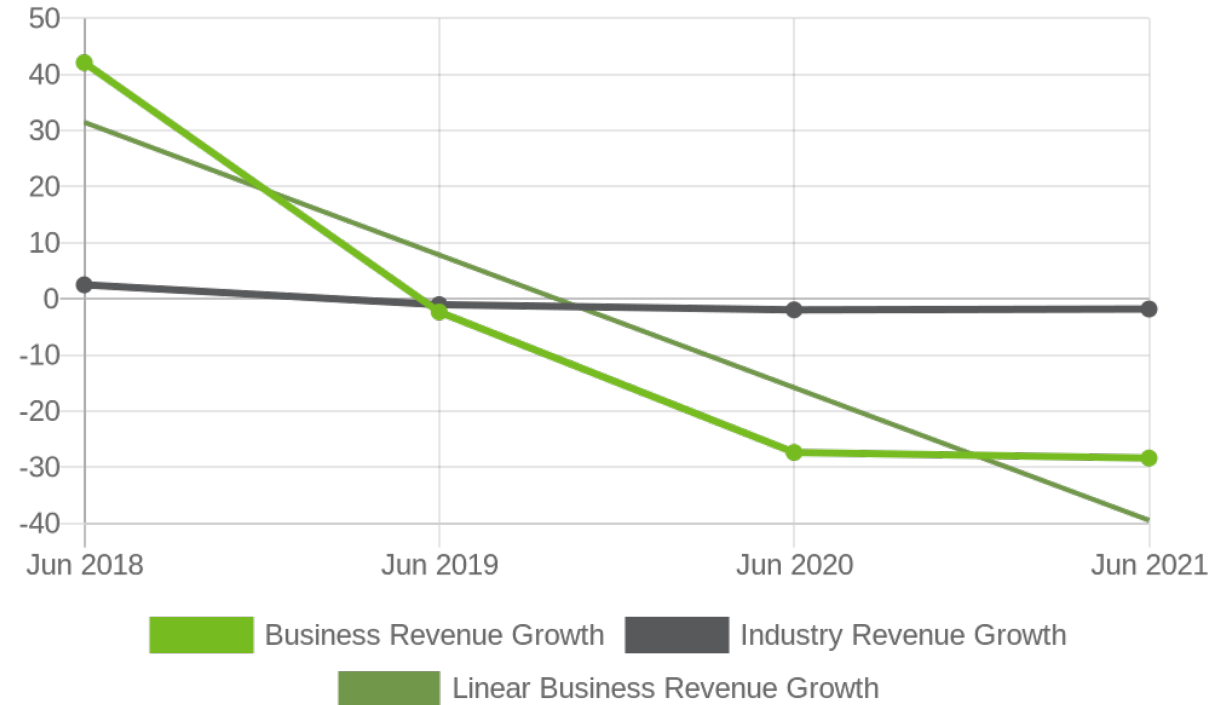
We have undertaken an assessment of Lighting Store Pty Ltd (SAMPLE) relative to the performance of the rest of the industry to allow us to consider the performance of Lighting Store Pty Ltd (SAMPLE) within the context of the rest of the industry.

### Unadjusted Business Cost Structure Relative to Industry

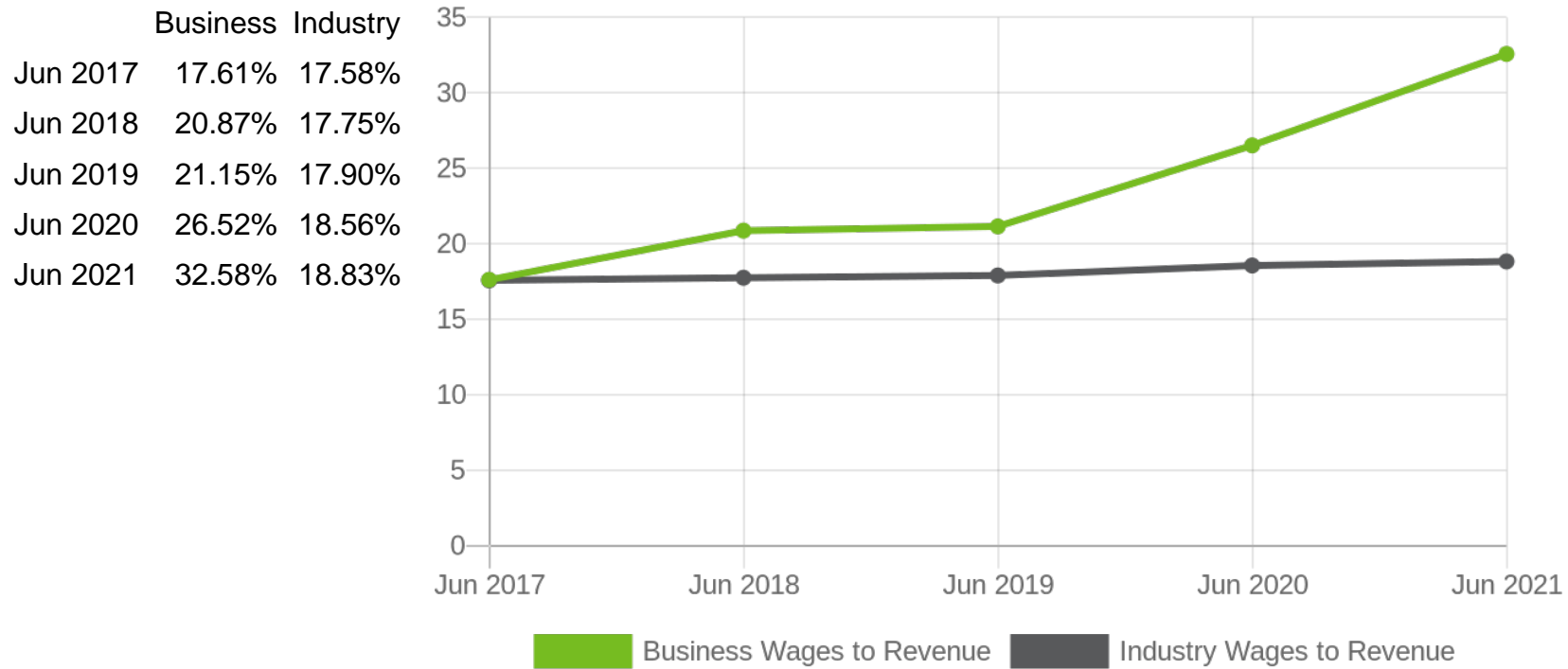


## Business vs Industry Revenue Growth

	Business	Industry
Jun 2018	42.12%	2.51%
Jun 2019	-2.33%	-1.03%
Jun 2020	-27.37%	-1.95%
Jun 2021	-28.37%	-1.80%



## Business vs Industry Wages to Revenue



## Consideration of the Financial Statements of the Entity

An examination of the key financial ratios of the entity has been undertaken for the Profit & Loss for the year ended 2021 and the Balance Sheet as at 2021, with the following results:

### Financial Statement Assessments

#### Efficiency and solvency tests

<b>Liquidity Ratio</b>	Current Assets	\$-5,131.49	Based upon a simple assessment of Current Assets vs Current Liabilities, it appears that the business may be insolvent without the support of the Director(s) or Shareholder(s), or some other third party source of funding. This means that the business does not have sufficient means to pay all current debts as and when they fall due without the assistance of a third part.
	Current Liabilities	\$31,861.14	
		-0.16 : 1	
<b>Quick Ratio</b>	Quick Assets	\$-370,164.93	The quick ratio allows a business to understand whether all current liabilities can be extinguished by quickly accessing the most liquid assets on hand. Without good quick ratio coverage (ie. greater than 1), a business is at risk of not being able to pay their debts as and when they fall due as they are reliant on future cashflows or the assistance of third parties to settle existing debts.
	Current Liabilities	\$31,861.14	
		-11.62 : 1	
<b>Net Asset Position</b>	Total Assets	\$38,457.96	Based upon a simple assessment of Total Assets vs Total Liabilities, it appears that the business is insolvent on a balance sheet test of solvency. This means that the business has insufficient assets on hand to pay all of its debts, but it does not necessarily mean that it has insufficient liquid assets to pay all debts 'as and when they fall due'.
	Total Liabilities	\$55,851.79	
		0.69 : 1	
<b>Accounts Receivable Turnover Ratio</b>	Current Accounts Receivable	\$-843.28	This is an impossible outcome as it means that the accounts receivable is more than turnover.
	Total Revenue	\$908,558.41	
		-1077.41 : 1	

<b>EBIT Margin</b>	Earnings Before Interest & Tax	\$8,105.99	<p>An EBIT Margin of less than 10% indicates that the business is making a modest profit in the most recent financial year in real terms. That is to say that, once adjustments are made to allow for commercial rent and commercial salaries for owners and any other adjustments to reflect the business as a passive investment to a person who is not working in the business, there is limited return to the owner. A small to medium business ordinarily carries with it certain investments risks, and as such an investor should expect a return relative to these risks. Ordinarily a small business investor could expect a return of more than 20% per annum.</p>
	Total Revenue	\$908,558.41	
		0.89%	
<b>Return on Assets</b>	Net Assets	\$-17,393.83	<p>The return on assets ratio indicates how effectively the assets of your business are working to generate profit. A NEGATIVE Return on Assets indicates that the business assets are not being utilised to make a profit and as such the business does not appear to carry any goodwill at face value.</p>
	Earnings Before Interest & Tax	\$8,105.99	
<b>Gross Margin</b>	Gross Profit	\$456,234.87	<p>A business' gross margin indicates what percentage of income it retains after paying the direct costs related to the sales it makes. The higher this percentage, the more money the business has to service its other costs and debt obligations. Due to the variances between business types, methods of service and product delivery, and various other variables, there is no 'one-size-fits-all' approach to what could be considered a 'good' or 'bad' gross margin. As a result, this information is given for consideration in the context of the overall analysis of the financial performance of the business.</p>
	Total Revenue	\$908,558.41	
<b>Operating Cash Flow to Current Liabilities</b>	Operating Cash Flow	\$-10,547.54	<p>A NEGATIVE Operating Cash Flow to Current Liabilities ratio indicates that the business has negative cash flow, meaning that expenses outstrip income and there is no profit and the business is unable to pay its debts.</p>
	Current Liabilities	\$31,861.14	

## Selection of Valuation Methodologies

The approach to valuing a business applied in this report is to seek to determine what a hypothetical, informed, willing but not anxious buyer of the shares would pay to an informed, willing but not anxious seller in an open market, where the parties are acting on an arm's length basis. This valuation measure is referred to as 'fair market value'.

By adopting such an approach in relation to my valuation of the business, one is determining the fair market value of the business.

There are several commonly applied valuation methods that are used to establish fair market valuations of businesses. A description of these methodologies is set out in Appendix C.

In determining an appropriate method to adopt in my valuation of the business, the following factors have been considered:

- The business has been operating since 2009
- Total revenue has decreased an average of 3.99% since Jun 2017
- Revenue earned by the entity has shown volatility since year Jun 2017
- Total profit generated by the entity has decreased an average of 287.16% since Jun 2017
- Wages as a proportion of revenue for the entity has increased an average of 17.03% since Jun 2017
- Costs of goods sold as a proportion of revenue for the entity has decreased an average of 3.99% since Jun 2017
- The entity has shown a volatile trading history, with observed losses in prior years;
- On the basis that the entity made losses in Jun 2017, Jun 2018, Jun 2019 and Jun 2021, we consider the business does not possess any goodwill
- The business operates in the Electrical and Lighting Stores in Australia industry

Based upon the factors discussed above, the Net Tangible Assets ("NTA") method of valuation (refer to Appendix D) provides the most appropriate method to determine the value of the business.

An NTA method of valuation assumes that all the assets and liabilities of the business are realisable at their carrying value. The NTA basis of valuation is utilised where it is apparent that there is no goodwill component to the value of a business or entity.

Other methods, such as the Capitalisation of Future Maintainable Earnings ("FME") or the Discounted Cash Flows methodology

each assume a profitable business with relatively stable earnings patterns, as they each rely to some extent upon forecast earnings. In this instance, I believe that the earnings of the business have shown substantial volatility and cannot be forecast with any degree of comfort.

## Calculation of the Value of the Business

The financial information relied upon has been analysed and utilised for the purposes of the calculations and assessments herein. Where necessary, this information has been subject to various procedures and adjustments as considered necessary in the professional judgment of the writer of this report.

Given that the business' revenue and profitability are minimal (if not negative after considering a commercial wages and rental position), in my opinion, the business does not have value as a going concern over and above the value of its income producing assets and liabilities.

Having considered the attributes of the business, including the nature, length of trade, asset base and profitability, in my view, the value of the realisable assets and liabilities including the property, plant and equipment will be the most appropriate indicator of the value of the business and the entity over all.

It is my opinion that any prospective purchaser of the business would not purchase the business including all assets and liabilities of the company unless the goodwill position of the company is known and quantifiable.

Any such purchase will be conducted based upon the sale of the business as a going concern without any surplus debt; that is, debt that is not necessary in the day to day operation of the business.

Based upon my analysis of the information provided, I have adopted an NTA valuation approach and have calculated the value of the business based upon a theoretical sale of business in an arm's-length transaction.

The NTA methodology assumes that all assets and liabilities as shown on the financial statements for the business represent a true and fair assessment of the realisable value of the assets and liabilities of the entity, except where otherwise stated. I have therefore assumed that all such assets and liabilities are utilised in the production of the business' income.

Analysis of the financial statements of the business indicates that the net assets of the business are reflected within the most recent unaudited balance sheet as at Jun 2021.

For the purpose of determining the NTA for the business, I have assumed all of its assets and liabilities to be realisable at their carrying values i.e. cost less any depreciation, amortisation or impairments.



It is therefore my opinion that the NTA value of Lighting Store Pty Ltd (SAMPLE) can be represented by the net assets as shown in the Statement of Position below:

Item	Entity	Business NTA	Jun 2021
<b>BANK</b>			
Cash at Bank - NAB Business Cheque	0.00	0.00	0.00
Cash at Bank - NAB Cash Maximiser	2.51	0.00	2.51
Cash on Hand	100.00	0.00	100.00
Cheque Account	-86.64	0.00	-86.64
CIBC Business Account	52.24	0.00	52.24
CIBC Visa	-23,381.16	0.00	-23,381.16
NAB Mastercard	0.00	0.00	0.00
PayPal	61.89	0.00	61.89
Petty Cash	236.50	0.00	236.50
Petty Cash - China	356.59	0.00	356.59
Trade Finance Account	-346,663.58	0.00	-346,663.58
<b>TOTAL BANK</b>	<b>-369,321.65</b>	<b>0.00</b>	<b>-369,321.65</b>
<b>CURRENT ASSETS</b>			
Inventory - 1	193,207.75	193,207.75	193,207.75
Inventory - 10	5,113.89	5,113.89	5,113.89
Inventory - 11	35,402.52	35,402.52	35,402.52
Inventory - 2	317.85	317.85	317.85
Inventory - 3	463.00	463.00	463.00
Inventory - 4	80,822.13	80,822.13	80,822.13
Inventory - 5	2.35	2.35	2.35

Inventory - 6	490.15	490.15	490.15
Inventory - 7	-4,706.61	-4,706.61	-4,706.61
Inventory - 8	1,045.11	1,045.11	1,045.11
Inventory - 9	0.00	0.00	0.00
Inventory - LED Screens & Signs	1,674.62	1,674.62	1,674.62
Inventory - Poles & Controls	38,904.54	38,904.54	38,904.54
Inventory -12	112.00	112.00	112.00
Inventory -13	18,992.57	18,992.57	18,992.57
Inventory adjustments	-6,808.43	-6,808.43	-6,808.43
Premium Funding - Unexpired Interest	0.00	0.00	0.00
Provision for Taxation	0.00	0.00	0.00
Raw Materials	0.00	0.00	0.00
Trade Debtors	-843.28	-843.28	-843.28
<b>TOTAL CURRENT ASSETS</b>	<b>364,190.16</b>	<b>364,190.16</b>	<b>364,190.16</b>
<b>NON-CURRENT ASSETS</b>			
Borrowing expenses	0.00	0.00	0.00
Loan - Light store Ontario	534.07	0.00	534.07
Loan - Marylyn Monroe (2017)	0.00	0.00	0.00
Loan - Marylyn Monroe (2018)	0.00	0.00	0.00
Loan- Bruce Wayne	2,810.94	0.00	2,810.94
Prepaid Borrowing Costs	267.79	0.00	267.79
Small Business Pool	39,976.65	39,976.65	39,976.65
<b>TOTAL NON-CURRENT ASSETS</b>	<b>43,589.45</b>	<b>39,976.65</b>	<b>43,589.45</b>

<b>TOTAL ASSETS</b>	<b>38,457.96</b>	<b>404,166.81</b>	<b>38,457.96</b>
<b>CURRENT LIABILITIES</b>			
GST	1,660.70	0.00	1,660.70
GST - Adjustments	3,566.40	0.00	3,566.40
GST - Deferred	2,006.00	0.00	2,006.00
GST ATO ICA account	0.00	0.00	0.00
GST on Creditors	-4,329.71	0.00	-4,329.71
GST on Debtors	1,820.32	0.00	1,820.32
Hire Purchase	0.00	0.00	0.00
Hire Purchase - Jeep Grand	0.00	0.00	0.00
Less: Unexp Interest Charges - Jeep Grand	0.00	0.00	0.00
NAB Mastercard	0.00	0.00	0.00
NAB Visa	19,505.85	0.00	19,505.85
PAYG Withholding Payable	2,370.00	0.00	2,370.00
Premium Funding Loan - Insurance	0.00	0.00	0.00
Provision for BAS - ATO ICA	0.00	0.00	0.00
Provision for BAS - Deferred GST	0.00	0.00	0.00
Provision for BAS - GST on Creditors	0.00	0.00	0.00
Provision for BAS - GST on Debtors	0.00	0.00	0.00
Provision for BAS Adjustments	0.00	0.00	0.00
Provision for GST - BAS Adjustments	0.00	0.00	0.00
Provision for GST - June BAS	0.00	0.00	0.00
Superannuation Accrual	0.00	0.00	0.00
Superannuation Payable	5,261.58	0.00	5,261.58

Superannuation	0.00	0.00	0.00
Trade Creditors	0.00	0.00	0.00
Trade Finance Account	0.00	0.00	0.00
Unearned Income	0.00	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,861.14</b>	<b>0.00</b>	<b>31,861.14</b>
<b>NON-CURRENT LIABILITIES</b>			
Equipment Loan - Prepaid Interest	-3,373.92	0.00	-3,373.92
Equipment Loan -Ford Focus	32,170.46	0.00	32,170.46
Hire Purchase	0.00	0.00	0.00
Hire Purchase Less: Unexp Interest Charges	0.00	0.00	0.00
Insurance - International Man of Mystery	7,741.49	0.00	7,741.49
Less: Unexp Interest Charges	0.00	0.00	0.00
Loan - Name 1	2,660.11	0.00	2,660.11
Loan - Name 2	-30,015.81	0.00	-30,015.81
Loan - Name 2 & Name 3 2014/2015	14,808.32	0.00	14,808.32
Loan - Name 3 (2017)	0.00	0.00	0.00
Loan- Name 4	0.00	0.00	0.00
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>23,990.65</b>	<b>0.00</b>	<b>23,990.65</b>
<b>TOTAL LIABILITIES</b>	<b>55,851.79</b>	<b>0.00</b>	<b>55,851.79</b>
<b>NET ASSETS</b>	<b>-17,393.83</b>	<b>404,166.81</b>	<b>-17,393.83</b>

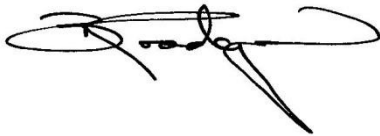
On the basis of the balance sheet position of Lighting Store Pty Ltd (SAMPLE), the business that is operated by Lighting Store Pty Ltd (SAMPLE) is valued at \$404,166.81 as at 30 Jun 2021.

The total value of all shares in Lighting Store Pty Ltd (SAMPLE), as per the balance sheet position, is therefore valued at \$0.00 as

at 30 Jun 2021.

Based upon the above calculations, I consider the value of 100.00% of the shares in Lighting Store Pty Ltd (SAMPLE) to be \$0.00.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Brett Goodyer', is positioned above the printed name.

Brett Goodyer  
Director  
FCPA B.Com MForAccy

# APPENDIX A

## Client information as provided via businessvaluations.online

### Client Details

Name	Lighting Store Pty Ltd (SAMPLE)
Address	10 somethingorother Court Yamba SA 5340 Australia
Phone	
Email	

### Your Accountants Details

Accountant details are the same as my details	No
Name	Accountant Referrer
Firm	Accounting firm #1
Address	1 Particular Street Adelaide SA 5000 Australia
Phone	08 11112222
Email	accountant@accounting.com
Provide a copy of the valuation report and the accountants analysis report to my accountant	No

### Subject Entity

I am the entity contact	Yes
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Name	Lighting Store Pty Ltd (SAMPLE)
Address	
Website	www.lightsandstuff.org
ABN or ACN	111222333444
Business operates at the same location	Yes

## Valuation Overview

Purpose of valuation	Other
Require a valuation of the value of all shares in the entity	Yes

## Entity Business Overview

Year Commenced Trading	2009
Industry Classification	Wholesale trade
Business Description	Electrical and Lighting Stores in Australia
Does the business keep stock?	Yes
Date of last stocktake	7 Sep 2021
Are the premises leased or owned?	Leased
Is the landlord a related party?	No
Lease expiry date	30 Nov 2021
How long are the further options on the lease (in years)?	1

## Business Risks

Does the business have a business plan?	Yes
Business plan is reviewed and updated	Yes
Does the business have a succession plan in place?	Yes
Does the business set annual budgets / forecasts	

Does the business have a major supplier who provides >30% of the product requirements?	Yes
Is there a service contract in place with the supplier?	No
Is the current location critical to the operation of the business?	No
Are the internal controls, systems and processes documented, acknowledged and followed by staff?	Yes
Does the business have any known unresolved legal disputes?	No
Does the business keep accurate and up-to-date financial records on at least a monthly basis?	Yes
Does the business (or proprietor) of the business possess necessary licensing, permit and registration requirements for the business?	Yes

## Owners and Employees

Business senior management team	The owner(s)
How many employees does the buess have (including owners if they work in the business) on a Full Time Equivalent basis?	3
Does the business undertake annual employee performance reviews?	Yes
Are all employment contracts up-to-date?	Yes
Do the owner(s) work in the business?	Yes
Is the business reliant upon the skills, knowledge and/or contacts of the owner?	Yes
Owner 1 role	Owner 1
Owner 1 current pay	\$90,000.00
Owner 1 equivalent commercial salary	\$120,000.00
Owner 2 role	Owner 2



Owner 2 current pay	\$90,000.00
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Owner 2 equivalent commercial salary	\$90,000.00
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Are there any related parties (such as family, partners, etc) who are paid by the business?	No
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## Key Expenses

Has all outstanding superannuation due to be paid in relation to superannuation guarantee contributions been paid up to date?	Yes
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Does the entity have an outstanding tax liability?	No
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Is workers compensation insurance paid and up to date?	Yes
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Are all other insurances up to date?	Yes
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Are all revenue and expenses that are received or paid in cash accounted for?	Yes
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What type of customers does the business sell to?	Both (business and individual)
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Does the business own any registered trademarks?	Yes
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Details of the specific trademarks owned	product names: lights, switches, dimmy the dimmer
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What percentage of the motor vehicle expense is related to the operation of the business?	90 %
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What percentage of your turnover does your biggest customer represent?	10 %
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## Financial Statements

Financial statements were uploaded, and are summarised in subsequent appendices

Are there any motor vehicles or other assets on the balance sheet that are not used in generating income for the business?	No
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Are all loans from third parties to the entity collectible at their carried value?	Yes
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Further information that would be useful to this process

# APPENDIX B

## Financial Information Supplied

### Profit and Loss Statements

Item	Jun 2021	Jun 2020	Jun 2019	Jun 2018	Jun 2017
<b>INCOME</b>					
Assessable gov. industry paymt	0.00	0.00	0.00	7,000.00	1,000.00
CC Surcharge Fees Collected	186.64	1,098.29	1,167.35	169.98	42.69
EDM Grant	10,060.00	13,740.00	45,976.00	41,426.00	16,927.00
Extraordinary Income	0.00	0.00	3,566.53	0.00	0.00
FBT Reimbursed	0.00	1,728.18	2,859.09	42,949.14	30,890.73
Foreign Exchange Profit/(Loss)	0.00	0.00	22,535.05	-19,918.37	150.84
Freight Income	27,782.94	45,167.47	57,805.95	33,084.01	21,903.13
Gain/Loss on Intern'l Trans	6,727.21	-1,505.76	0.00	0.00	0.00
Gain/Loss on Sale of Equipment	505.00	0.00	0.00	0.00	0.00
Govt COVID-19	154,616.00	80,011.45	0.00	0.00	0.00
Interest Received	22.96	24.56	132.74	206.52	95.76
Lighting Consulting	10,906.00	3,200.00	0.00	0.00	0.00
Lights - type 1	509,766.18	583,922.81	0.00	0.00	0.00
Lights - type 2	94,953.26	425,032.52	0.00	0.00	0.00
Lights - type 4	7,854.22	3,836.44	0.00	0.00	0.00

Lights - type 5	3,367.00	37,634.00	0.00	0.00	0.00
Lights - type 6	28,024.98	17,382.93	0.00	0.00	0.00
Lights - type 7	0.00	21.01	0.00	0.00	0.00
Lights - type 3	15,313.94	6,950.00	0.00	0.00	0.00
Poles & Control Sales	32,774.04	42,286.00	0.00	0.00	0.00
R&A - type 8	4,914.00	0.00	0.00	0.00	0.00
Restocking Fees and Charges	807.00	7,856.34	0.00	0.00	0.00
Sales	0.00	0.00	1,612,481.72	1,661,825.90	1,167,179.19
SBIR Grant	0.00	0.00	0.00	21,500.00	20,000.00
<b>TOTAL INCOME</b>	<b>908,581.37</b>	<b>1,268,386.24</b>	<b>1,746,524.43</b>	<b>1,788,243.18</b>	<b>1,258,189.34</b>
<b>LESS COGS</b>					
Closing Raw Materials	0.00	0.00	-225,764.69	-267,909.32	-180,211.83
Consultant Commission on Sales	0.00	75.00	0.00	0.00	0.00
Delivery Expenses	20,847.27	29,691.63	0.00	0.00	0.00
Ebay-Paypal Sales Commission	0.00	177.50	0.00	0.00	0.00
Frieght Costs	55,609.95	83,643.98	148,533.70	126,771.90	103,131.13
Installation	982.50	0.00	9,204.55	101,480.91	5,358.00
Inventory Adjustment	-68.03	0.00	0.00	0.00	0.00
Lighting Audit/Engineering Assement	1,354.50	0.00	0.00	0.00	0.00
Lighting Design	15,881.51	8,844.90	0.00	0.00	0.00
Lighting-Electrical Costs	482.48	2,017.09	0.00	0.00	0.00
Lights - Beehive	0.00	9.05	0.00	0.00	0.00
lights - Pleiades	279,475.42	335,909.85	0.00	0.00	0.00
Lights Alpha Persei (Down Light)	-12,686.27	5,081.56	0.00	0.00	0.00

Lights Eagle Nebula (Panel Light)	43,862.22	185,365.26	0.00	0.00	0.00
Lights Hyades (Spot Light)	1,857.28	4,589.23	0.00	0.00	0.00
Lights IC2602	151.68	-3,279.09	0.00	0.00	0.00
Lights Messier 18 (UVC)	233.00	0.00	0.00	0.00	0.00
Lights Messier 21 (Strip Lt)	213.05	37,729.32	0.00	0.00	0.00
Lights Messier 36 (Wall Washer)	7,607.49	2,447.50	0.00	0.00	0.00
Lights Wild Duck (Fittings)	6,565.09	0.00	0.00	0.00	0.00
Opening Raw Materials	0.00	0.00	267,909.32	180,211.83	129,439.26
Packaging Expenses	0.00	0.00	0.00	11.32	560.48
Poles & Controls	29,278.42	38,660.76	0.00	0.00	0.00
Purchases	0.00	0.00	902,385.50	1,008,184.80	684,350.08
Sales/Electrical Consultant	0.00	0.00	2,069.48	-223.19	5,304.00
Screens LED	698.94	0.00	0.00	0.00	0.00
<b>TOTAL COGS</b>	<b>452,346.50</b>	<b>730,963.54</b>	<b>1,104,337.86</b>	<b>1,148,528.25</b>	<b>747,931.12</b>
<b>GROSS PROFIT</b>	<b>456,234.87</b>	<b>537,422.70</b>	<b>642,186.57</b>	<b>639,714.93</b>	<b>510,258.22</b>
<b>LESS OPERATING EXPENSES</b>					
Accountancy	10,028.18	8,021.95	12,316.00	2,270.00	2,200.00
Advertising & Promotion	246.00	355.00	0.00	271.38	2,306.29
Apricity Charges	60.00	0.00	0.00	0.00	0.00
ATO Interest Expense	1,150.57	112.91	0.00	0.00	0.00
Bad Debts	0.00	0.00	11,500.00	1,172.00	0.00
Bank Charges	1,471.40	1,913.89	0.00	0.00	0.00
Bank Charges on Trade Finance	5,434.39	6,622.11	0.00	0.00	0.00

Bank Fees & Charges	0.00	0.00	11,359.66	13,239.96	9,831.80
Bank Fees for Transfers	700.00	943.05	0.00	0.00	0.00
Borrowing Expenses	0.00	100.22	99.95	32.04	0.00
Certification/Registration Fee	1,134.50	0.00	0.00	0.00	0.00
Cleaning	531.00	792.00	0.00	0.00	0.00
Cleaning/rubbish removal	0.00	0.00	1,091.70	1,165.57	824.19
Computer Expenses	0.00	0.00	208.90	465.82	1,848.31
Consultants Fees	0.00	0.00	9,129.04	13,663.03	6,692.73
Consulting - Administration	1,145.00	0.00	0.00	0.00	0.00
Consulting R & D Export	5,000.00	1,374.00	0.00	0.00	0.00
Consulting-Website	908.40	3,394.33	0.00	0.00	0.00
Credit Card Surcharge	337.16	822.88	0.00	0.00	0.00
Depreciation	0.00	0.00	17,132.00	14,149.00	8,770.00
Depreciation - Items > \$1,000	0.00	0.00	0.00	3,631.03	1,344.55
Donations	190.00	197.00	244.66	351.00	468.00
Dues & Subscriptions	3,046.80	6,945.07	0.00	0.00	0.00
Electricity	0.00	0.00	5,169.88	3,961.52	2,790.97
Entertainment	0.00	0.00	5,149.20	1,590.50	573.20
Fees	973.65	54.26	0.00	254.00	363.00
Foreign Currency Gains and Losses	33,432.46	-16,310.06	0.00	0.00	0.00
Freight Paid	2,557.27	3,443.45	0.00	0.00	0.00
Insurance	15,531.85	11,034.85	10,827.99	10,836.32	9,922.07
Interest	0.00	0.00	27,891.23	21,655.67	19,818.38
Interest Apricity	0.00	578.72	0.00	0.00	0.00

Interest on Bank, Credit Cards	7,520.15	9,231.75	0.00	0.00	0.00
Interest on Loans - Ins, Equip	1,364.83	3,789.56	0.00	0.00	0.00
Interest on Trade Finance	8,640.94	14,119.72	0.00	0.00	0.00
Internet & Email	1,711.00	0.00	0.00	0.00	746.52
IT Support	87.00	0.00	0.00	0.00	0.00
Legal Fees	0.00	0.00	0.00	1,814.80	0.00
Marketing & Sales Expenses	0.00	0.00	15,650.75	15,551.58	26,038.14
Marketing and Events	637.64	228.37	0.00	0.00	0.00
Marketing Consultants	0.00	257.73	0.00	0.00	0.00
Membership	4,674.00	3,840.00	4,471.65	2,611.36	5,008.09
Merchant Fees	377.75	1,416.60	0.00	0.00	0.00
Mitsubishi Pajero-MV Expenses	5,495.31	4,284.49	0.00	0.00	0.00
Motor Vehicle Expenses	0.00	0.00	10,102.71	8,568.36	7,063.97
Normae Canada	0.00	66.54	0.00	0.00	0.00
Office Equipment	244.50	227.27	856.80	484.22	483.63
Office Supplies	167.64	337.52	0.00	0.00	0.00
Other Employment Expenses	270.00	0.00	0.00	0.00	0.00
Postage	262.31	0.00	9.09	71.45	339.44
Printing & Stationery	0.00	0.00	1,833.74	1,480.27	915.81
Protective clothing	0.00	0.00	613.64	1,002.01	278.09
R&D - Ceramic Cost Effective	1,865.00	2,468.08	0.00	0.00	0.00
R&D - Commercial Grow Lights	0.00	4,926.43	0.00	0.00	0.00
R&D - Food Safe	0.00	878.01	0.00	0.00	0.00
R&D - Polaris High Bay	0.00	2,441.72	0.00	0.00	0.00

R&D - Stanchion Hazloc	0.00	6,857.44	0.00	0.00	0.00
R&D - UVC	0.00	684.83	0.00	0.00	0.00
R&D - Wireless Fault Reporting	1,155.00	1,378.46	0.00	0.00	0.00
Rates & Outgoings	0.00	0.00	10,712.68	10,502.62	10,443.94
Rent	15,116.15	28,217.77	0.00	0.00	0.00
Rent on Land & Buildings	0.00	0.00	41,899.17	70,491.31	74,874.92
Rental Electricity	2,027.32	3,758.01	0.00	0.00	0.00
Repairs & Maintenance	1,084.15	843.55	402.73	315.64	273.28
Research & Development	0.00	0.00	27,437.02	59,270.39	51,486.10
Sales Tools	191.15	559.92	0.00	0.00	0.00
Software	2,057.79	1,221.02	0.00	0.00	0.00
Sponsorship	0.00	1,045.00	0.00	0.00	0.00
Staff Amenities	447.53	684.25	2,324.69	2,224.52	1,171.31
Staff Entertainment	1,525.13	1,484.44	0.00	0.00	0.00
Stationery - Office	657.20	831.23	0.00	0.00	0.00
Storage	12,220.93	9,604.53	11,666.26	7,148.21	5,774.14
Subscriptions	0.00	0.00	6,485.21	6,675.48	3,351.40
Superannuation	25,178.22	29,017.53	13,807.71	12,253.46	6,466.85
Superannuation - Assoc persons	0.00	0.00	18,170.23	20,121.07	12,654.38
Telephone & Internet	7,349.88	7,502.31	7,986.34	6,816.49	6,038.06
Travel - Aust	1,964.04	10,738.34	0.00	0.00	0.00
Travel - Export	0.00	23,278.07	0.00	0.00	0.00
Travel, Accom & Conference	0.00	0.00	66,659.65	70,721.04	35,039.71



Trumpler Jeep Expenses	6,445.25	4,697.04	0.00	0.00	0.00
Uniforms & Safety Wear	163.59	182.59	0.00	0.00	0.00
Utilities - Rates and Outgoing	73.46	10,633.70	0.00	0.00	0.00
Wages	270,844.38	307,359.19	146,030.80	128,984.60	69,166.23
Wages & Salaries	0.00	0.00	191,268.21	211,803.54	133,204.00
Workers Compensation	1,084.54	1,050.64	2,671.09	1,536.76	1,057.79
<b>TOTAL OPERATING EXPENSES</b>	<b>466,782.41</b>	<b>530,539.28</b>	<b>693,180.38</b>	<b>729,158.02</b>	<b>519,629.29</b>
<b>NET PROFIT</b>	<b>-10,547.54</b>	<b>6,883.42</b>	<b>-50,993.81</b>	<b>-89,443.09</b>	<b>-9,371.07</b>

## Balance Sheet Statements

Item	Jun 2021	Jun 2020	Jun 2019	Jun 2018	Jun 2017
<b>BANK</b>					
Cash at Bank - NAB Business Cheque	0.00	0.00	2,847.26	9,188.01	7,391.90
Cash at Bank - NAB Cash Maximiser	2.51	2.26	0.47	40,000.00	0.00
Cash on Hand	100.00	100.00	100.00	100.00	100.00
Cheque Account	-86.64	926.38	0.00	0.00	0.00
CIBC Business Account	52.24	233.79	0.00	0.00	0.00
CIBC Visa	-23,381.16	-30,011.79	0.00	0.00	0.00
NAB Mastercard	0.00	0.00	1,177.84	0.00	0.00
PayPal	61.89	62.60	111.41	0.00	0.00
Petty Cash	236.50	478.92	114.90	13.35	6.00
Petty Cash - China	356.59	355.78	357.94	352.21	0.00
Trade Finance Account	-346,663.58	-268,780.78	0.00	0.00	0.00
<b>TOTAL BANK</b>	<b>-369,321.65</b>	<b>-296,632.84</b>	<b>4,709.82</b>	<b>49,653.57</b>	<b>7,497.90</b>
<b>CURRENT ASSETS</b>					
Inventory - 1	193,207.75	139,677.25	0.00	0.00	0.00
Inventory - 10	5,113.89	5,113.89	0.00	0.00	0.00
Inventory - 11	35,402.52	8,620.30	0.00	0.00	0.00
Inventory - 2	317.85	317.85	0.00	0.00	0.00
Inventory - 3	463.00	1,342.07	0.00	0.00	0.00
Inventory - 4	80,822.13	59,920.15	0.00	0.00	0.00

Inventory - 5	2.35	2.35	0.00	0.00	0.00
Inventory - 6	490.15	3,172.66	0.00	0.00	0.00
Inventory - 7	-4,706.61	-4,246.18	0.00	0.00	0.00
Inventory - 8	1,045.11	1,045.11	0.00	0.00	0.00
Inventory - 9	0.00	282.25	0.00	0.00	0.00
Inventory - LED Screens & Signs	1,674.62	2,373.56	0.00	0.00	0.00
Inventory - Poles & Controls	38,904.54	18,590.74	0.00	0.00	0.00
Inventory -12	112.00	112.00	0.00	0.00	0.00
Inventory -13	18,992.57	13,264.92	0.00	0.00	0.00
Inventory adjustments	-6,808.43	-6,808.43	0.00	0.00	0.00
Premium Funding - Unexpired Interest	0.00	0.00	0.00	811.98	500.39
Provision for Taxation	0.00	0.00	53,759.78	77,973.76	29,443.60
Raw Materials	0.00	0.00	233,286.03	267,909.32	180,211.83
Trade Debtors	-843.28	-3,282.17	282,210.87	95,982.85	196,100.51
<b>TOTAL CURRENT ASSETS</b>	<b>364,190.16</b>	<b>239,498.32</b>	<b>569,256.68</b>	<b>442,677.91</b>	<b>406,256.33</b>
<b>NON-CURRENT ASSETS</b>					
Borrowing expenses	0.00	0.00	368.01	467.96	0.00
Loan - Light store Ontario	534.07	534.07	2,503.32	0.00	0.00
Loan - Marylyn Monroe (2017)	0.00	0.00	0.00	0.00	29,046.84
Loan - Marylyn Monroe (2018)	0.00	0.00	6,489.82	40,420.75	0.00
Loan- Bruce Wayne	2,810.94	2,810.94	2,810.94	2,810.94	2,483.94
Prepaid Borrowing Costs	267.79	267.79	0.00	0.00	0.00
Small Business Pool	39,976.65	39,976.65	39,976.65	57,108.65	20,463.33
<b>TOTAL NON-CURRENT ASSETS</b>	<b>43,589.45</b>	<b>43,589.45</b>	<b>52,148.74</b>	<b>100,808.30</b>	<b>51,994.11</b>

<b>TOTAL ASSETS</b>	<b>38,457.96</b>	<b>-13,545.07</b>	<b>626,115.24</b>	<b>593,139.78</b>	<b>465,748.34</b>
<b>CURRENT LIABILITIES</b>					
GST	1,660.70	12,770.85	0.00	0.00	0.00
GST - Adjustments	3,566.40	3,566.40	0.00	0.00	0.00
GST - Deferred	2,006.00	2,006.00	0.00	0.00	0.00
GST ATO ICA account	0.00	16,880.00	0.00	0.00	0.00
GST on Creditors	-4,329.71	-4,329.71	0.00	0.00	0.00
GST on Debtors	1,820.32	1,820.32	0.00	0.00	0.00
Hire Purchase	0.00	0.00	0.00	0.00	9,502.74
Hire Purchase - Jeep Grand	0.00	0.00	15,637.38	34,270.13	0.00
Less: Unexp Interest Charges - Jeep Grand	0.00	0.00	-649.88	-3,035.71	-1,052.20
NAB Mastercard	0.00	0.00	0.00	18,553.98	17,479.43
NAB Visa	19,505.85	19,924.66	0.00	0.00	0.00
PAYG Withholding Payable	2,370.00	6,668.00	0.00	0.00	0.00
Premium Funding Loan - Insurance	0.00	0.00	0.00	8,700.26	6,694.32
Provision for BAS - ATO ICA	0.00	0.00	29,496.51	-4,355.00	0.00
Provision for BAS - Deferred GST	0.00	0.00	1,864.00	0.00	0.00
Provision for BAS - GST on Creditors	0.00	0.00	-8,464.34	-3,558.31	-2,659.82
Provision for BAS - GST on Debtors	0.00	0.00	20,379.21	8,584.61	16,423.70
Provision for BAS Adjustments	0.00	0.00	6,859.86	0.00	0.00
Provision for GST - BAS Adjustments	0.00	0.00	0.00	-4,184.70	-4,354.95
Provision for GST - June BAS	0.00	0.00	5,038.00	33,407.00	16,099.00
Superannuation Accrual	0.00	0.00	9,359.88	27,662.35	18,824.62

Superannuation Payable	5,261.58	7,016.53	0.00	0.00	0.00
Superannuation	0.00	0.00	14,808.32	0.00	0.00
Trade Creditors	0.00	0.00	154,270.86	103,405.43	57,044.12
Trade Finance Account	0.00	0.00	271,848.20	332,844.32	281,521.07
Unearned Income	0.00	0.00	73,126.09	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,861.14</b>	<b>66,323.05</b>	<b>593,574.09</b>	<b>552,294.36</b>	<b>415,522.03</b>
<b>NON-CURRENT LIABILITIES</b>					
Equipment Loan - Prepaid Interest	-3,373.92	-4,088.61	0.00	0.00	0.00
Equipment Loan -Ford Focus	32,170.46	41,982.14	0.00	0.00	0.00
Hire Purchase	0.00	0.00	41,887.66	50,763.67	22,419.52
Hire Purchase Less: Unexp Interest Charges	0.00	0.00	0.00	0.00	-330.12
Insurance - International Man of Mystery	7,741.49	0.00	0.00	0.00	0.00
Less: Unexp Interest Charges	0.00	0.00	-6,394.12	-6,394.12	0.00
Loan - Name 1	2,660.11	3,887.78	0.00	0.00	0.00
Loan - Name 2	-30,015.81	-28,776.69	0.00	0.00	0.00
Loan - Name 2 & Name 3 2014/2015	14,808.32	14,808.32	0.00	0.00	0.00
Loan - Name 3 (2017)	0.00	0.00	0.00	765.70	0.00
Loan- Name 4	0.00	0.00	5,384.44	6,812.97	9,362.38
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>23,990.65</b>	<b>27,812.94</b>	<b>40,877.98</b>	<b>51,948.22</b>	<b>31,451.78</b>
<b>TOTAL LIABILITIES</b>	<b>55,851.79</b>	<b>94,135.99</b>	<b>634,452.07</b>	<b>604,242.58</b>	<b>446,973.81</b>
<b>NET ASSETS</b>	<b>-17,393.83</b>	<b>-107,681.06</b>	<b>-8,336.83</b>	<b>-11,102.80</b>	<b>18,774.53</b>

# APPENDIX C

## Goodwill Calculation

Item	Entity	Goodwill	Jun 2021
<b>BANK</b>			
Cash at Bank - NAB Business Cheque	0.00	0.00	0.00
Cash at Bank - NAB Cash Maximiser	2.51	0.00	2.51
Cash on Hand	100.00	0.00	100.00
Cheque Account	-86.64	0.00	-86.64
CIBC Business Account	52.24	0.00	52.24
CIBC Visa	-23,381.16	0.00	-23,381.16
NAB Mastercard	0.00	0.00	0.00
PayPal	61.89	0.00	61.89
Petty Cash	236.50	0.00	236.50
Petty Cash - China	356.59	0.00	356.59
Trade Finance Account	-346,663.58	0.00	-346,663.58
<b>TOTAL BANK</b>	<b>-369,321.65</b>	<b>0.00</b>	<b>-369,321.65</b>
<b>CURRENT ASSETS</b>			
Inventory - 1	193,207.75	193,207.75	193,207.75
Inventory - 10	5,113.89	5,113.89	5,113.89
Inventory - 11	35,402.52	35,402.52	35,402.52
Inventory - 2	317.85	317.85	317.85

Inventory - 3	463.00	463.00	463.00
Inventory - 4	80,822.13	80,822.13	80,822.13
Inventory - 5	2.35	2.35	2.35
Inventory - 6	490.15	490.15	490.15
Inventory - 7	-4,706.61	-4,706.61	-4,706.61
Inventory - 8	1,045.11	1,045.11	1,045.11
Inventory - 9	0.00	0.00	0.00
Inventory - LED Screens & Signs	1,674.62	1,674.62	1,674.62
Inventory - Poles & Controls	38,904.54	38,904.54	38,904.54
Inventory -12	112.00	112.00	112.00
Inventory -13	18,992.57	18,992.57	18,992.57
Inventory adjustments	-6,808.43	-6,808.43	-6,808.43
Premium Funding - Unexpired Interest	0.00	0.00	0.00
Provision for Taxation	0.00	0.00	0.00
Raw Materials	0.00	0.00	0.00
Trade Debtors	-843.28	-843.28	-843.28
<b>TOTAL CURRENT ASSETS</b>	<b>364,190.16</b>	<b>364,190.16</b>	<b>364,190.16</b>
<b>NON-CURRENT ASSETS</b>			
Goodwill	0.00	0.00	0.00
Borrowing expenses	0.00	0.00	0.00
Loan - Light store Ontario	534.07	0.00	534.07
Loan - Marylyn Monroe (2017)	0.00	0.00	0.00
Loan - Marylyn Monroe (2018)	0.00	0.00	0.00

Loan- Bruce Wayne	2,810.94	0.00	2,810.94
Prepaid Borrowing Costs	267.79	0.00	267.79
Small Business Pool	39,976.65	39,976.65	39,976.65
<b>TOTAL NON-CURRENT ASSETS</b>	<b>43,589.45</b>	<b>39,976.65</b>	<b>43,589.45</b>
<b>TOTAL ASSETS</b>	<b>38,457.96</b>	<b>404,166.81</b>	<b>38,457.96</b>
<b>CURRENT LIABILITIES</b>			
GST	1,660.70	0.00	1,660.70
GST - Adjustments	3,566.40	0.00	3,566.40
GST - Deferred	2,006.00	0.00	2,006.00
GST ATO ICA account	0.00	0.00	0.00
GST on Creditors	-4,329.71	0.00	-4,329.71
GST on Debtors	1,820.32	0.00	1,820.32
Hire Purchase	0.00	0.00	0.00
Hire Purchase - Jeep Grand	0.00	0.00	0.00
Less: Unexp Interest Charges - Jeep Grand	0.00	0.00	0.00
NAB Mastercard	0.00	0.00	0.00
NAB Visa	19,505.85	0.00	19,505.85
PAYG Withholding Payable	2,370.00	0.00	2,370.00
Premium Funding Loan - Insurance	0.00	0.00	0.00
Provision for BAS - ATO ICA	0.00	0.00	0.00
Provision for BAS - Deferred GST	0.00	0.00	0.00
Provision for BAS - GST on Creditors	0.00	0.00	0.00
Provision for BAS - GST on Debtors	0.00	0.00	0.00
Provision for BAS Adjustments	0.00	0.00	0.00



Provision for GST - BAS Adjustments	0.00	0.00	0.00
Provision for GST - June BAS	0.00	0.00	0.00
Superannuation Accrual	0.00	0.00	0.00
Superannuation Payable	5,261.58	0.00	5,261.58
Superannuation	0.00	0.00	0.00
Trade Creditors	0.00	0.00	0.00
Trade Finance Account	0.00	0.00	0.00
Unearned Income	0.00	0.00	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,861.14</b>	<b>0.00</b>	<b>31,861.14</b>
<b>NON-CURRENT LIABILITIES</b>			
Equipment Loan - Prepaid Interest	-3,373.92	0.00	-3,373.92
Equipment Loan -Ford Focus	32,170.46	0.00	32,170.46
Hire Purchase	0.00	0.00	0.00
Hire Purchase Less: Unexp Interest Charges	0.00	0.00	0.00
Insurance - International Man of Mystery	7,741.49	0.00	7,741.49
Less: Unexp Interest Charges	0.00	0.00	0.00
Loan - Name 1	2,660.11	0.00	2,660.11
Loan - Name 2	-30,015.81	0.00	-30,015.81
Loan - Name 2 & Name 3 2014/2015	14,808.32	0.00	14,808.32
Loan - Name 3 (2017)	0.00	0.00	0.00
Loan- Name 4	0.00	0.00	0.00
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>23,990.65</b>	<b>0.00</b>	<b>23,990.65</b>
<b>TOTAL LIABILITIES</b>	<b>55,851.79</b>	<b>0.00</b>	<b>55,851.79</b>



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<b>NET ASSETS</b>	<b>-17,393.83</b>	<b>404,166.81</b>	<b>-17,393.83</b>
<b>CFME</b>		<b>0.00</b>	
<b>GOODWILL</b>		<b>0.00</b>	

# APPENDIX D

## Business Valuation Methodologies

### FME

This method places a value on shares or a business by estimating the likely Future Maintainable Earnings (FME), capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach the most commonly applied valuation technique and is particularly applicable to businesses with relatively steady growth histories and forecast, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as EBIT or EBITDA. The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

### DCF

The Discounted Cash Flow (DCF) methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate. DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

### NTA

Net Tangible Assets (NTA) is usually appropriate where the majority of assets consist of cash or passive investments. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall NTA valuation.

## FMD

The Future Maintainable Dividends (FMD) methodology applies particularly to minority holdings in private and unlisted public companies. FMD is similar in methodology to the FME and requires an estimation of the future maintainable dividends, a required rate of return and expected rate of dividend growth. While the use of benchmark methods is unwise in isolation, they can be helpful in providing a comparison or supporting valuation to the primary valuation methodology used.

## NRV

Net Realisable Value (NRV) is usually appropriate when an asset or business is to be sold or wound up. The NRV should provide a realistic indication of the value that could be obtained in the event of an orderly realisation of assets.

## COC

Cost of Creation is usually appropriate when there are limited barriers to entry to operating a business, apart from specific qualifications. For example, a doctor's practice or law practice can be established with the purchase of limited equipment, premises and an existing demand for the services. It may therefore be as cheap, or cheaper to create one's own business than to purchase an existing business. This method is often considered a proxy for the Net Asset Backing Method.

## IRT

The Industry Rule of Thumb (IRT) methodology is a common procedure or practice used to value a company. These procedures are based on past valuation experiences and estimates in that industry, rather than specific calculations. Rule of thumbs typically involve using multiples that are relevant to whichever industry the valued firm is in. For example, small to mid-sized accounting firms are often valued on the basis of X times revenue (often in the range of 0.8 to 1.2). Often, the IRT valuation methods relate to packages of fees, such as a number of accounting clients or rental properties that produce a certain level of fees on an annual basis. It is not necessarily the entire business that is being valued, rather the recurrent revenue that is being valued as an asset of the business or entity.