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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**

Financial Statements  
For the year ended 30 June 2013

**Exact Tax & Business Resources**

Tax Consultants & Accountants

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Trading Account**  
**For the year ended 30 June 2013**

	2013	2012
	\$	\$
<b>Trading Income</b>		
Customer revenue	4,786,230.92	4,071,525.93
Employee contributions	4,602.34	3,175.52
<b>Total Trading Income</b>	<b>4,790,833.26</b>	<b>4,074,701.45</b>
<b>Cost of Sales</b>		
<b>Add:</b>		
Telephony - On-Net	2,011,413.07	1,672,338.03
Telephone - hardware	81,693.00	
Mobiles		152,091.70
Broadband	522,794.49	842,860.87
Other	64,829.91	127,869.73
Network		115,758.79
	<u>2,680,730.47</u>	<u>2,910,919.12</u>
<b>Cost of Sales</b>	<b>2,680,730.47</b>	<b>2,910,919.12</b>
<b>Gross Profit from Trading</b>	<b><u>2,110,102.79</u></b>	<b><u>1,163,782.33</u></b>

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 Compilation Report and Notes which form part of these financial statements.

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2013**

	2013	2012
	\$	\$
<b>Income</b>		
Trading profit	2,110,102.79	1,163,782.33
Interest received	780.54	13,373.11
Profit on sale of investments	4,879.81	28,887.48
<b>Total income</b>	<b>2,115,763.14</b>	<b>1,206,042.92</b>
<b>Expenses</b>		
Accountancy	7,800.00	6,395.00
Advertising and promotion	18,626.34	23,302.10
Bad Debts		51,957.27
Bank Fees And Charges	29,813.66	19,235.34
Billing expenses	76,301.13	83,942.84
Broadband expenses		5,226.10
Capital expenses < \$300	3,502.73	
Cleaning/rubbish removal	2,970.00	2,640.00
Commissions	66,063.86	29,042.35
Computer maintenance	12,678.75	10,315.58
Consultants fees	19,026.03	2,599.19
Customer acquisition expenses		42,336.58
Debt collection	25,353.33	21,237.22
Depreciation - plant	71,160.00	7,514.00
Depreciation	24,911.00	25,155.00
Electricity	4,480.02	4,052.93
Entertainment	2,756.83	2,318.52
Contr, s/contr and commisn	244,845.49	
Field Sales Costs		34,424.65
Filing Fees	383.50	
Fringe benefits tax	9,512.00	10,490.00
Freight	6,574.01	3,458.55
Help desk	55,133.35	18,297.85
<b>Hire purchase charges</b>		
CM interest - Folding Machine	207.06	1,242.36
CM interest - Server	29.63	355.56
Insurance	2,948.58	6,874.10
Interest - Australia	32,780.33	4,491.78
Laptop deals		6,994.00
Legal fees	28,722.90	37,525.37
Miscellaneous	419.41	13,193.31
M/V car - Fuel & oil	3,140.97	3,577.77

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2013**

	2013	2012
	\$	\$
<b>M/V car - Interest</b>		
Interest - Kia Sorrento	3,459.52	4,277.70
Interest - VW Jetta	1,273.30	1,333.65
Interest - Mazda CX7	1,943.91	2,591.88
Interest - VW Jetta YSA605	841.38	
Interest - Mitsubishi ASX	514.56	
M/V car - Rego/Insurance	4,383.49	3,431.37
M/V commercial - Depreciation	6,583.51	
Payroll tax	17,777.64	20,852.19
Office supplies	2,626.02	2,559.57
Network hosting	285,747.53	
Postage	9,241.07	11,919.36
Printing & stationery	7,343.95	4,820.86
Rent on land & buildings	46,010.25	45,210.00
Repairs & maintenance	2,561.00	354.91
Parking	1,482.89	828.61
Software expenses		2,952.98
Staff amenities	9,281.29	12,130.37
Staff recruitment	225.00	
Subscriptions / licences	1,426.33	
Subcontractors		60,000.00
Superannuation	79,283.69	82,498.69
Telephone	22,438.35	22,250.71
Telephone - hardware		37,944.64
Telephone Industry Ombudsman	2,445.16	2,147.25
Temporary staff		1,385.56
Travel, accom & conference	5,910.41	5,076.51
Wages	815,566.86	872,637.92
Workcover	3,208.35	3,026.49
<b>Total expenses</b>	<b>2,081,716.37</b>	<b>1,678,426.54</b>
<b>Profit from Ordinary Activities before income tax</b>	<b>34,046.77</b>	<b>(472,383.62)</b>

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Compilation Report and Notes which form part of these financial statements.

**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Profit and Loss Statement**  
**For the year ended 30 June 2013**

	2013 \$	2012 \$
Operating profit before income tax	34,046.77	(472,383.62)
Income tax (credit) attributable to operating profit (loss)	<u>                    </u>	<u>                    </u>
<b>Operating profit after income tax</b>	<b>34,046.77</b>	<b>(472,383.62)</b>
Retained profits (accumulated losses) at the beginning of the financial year	<u>(1,605,439.63)</u>	<u>(891,056.02)</u>
Total available for appropriation (deficiency)	(1,571,392.86)	(1,363,439.64)
Dividends provided for or paid	<u>                    </u>	<u>(241,999.99)</u>
	<u>                    </u>	<u>(241,999.99)</u>
<b>Retained profits (deficit) at the end of the financial year</b>	<b><u>(1,571,392.86)</u></b>	<b><u>(1,605,439.63)</u></b>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Balance Sheet as at 30 June 2013**

	Note	2013	2012
		\$	\$
<b>Current Assets</b>			
<b>Cash Assets</b>			
BankWest Operating Account		5,792.82	33,174.65
BankWest Trading Account		7,133.07	5,524.14
BankWest BPAY Clearing Account		1.00	1.00
Bank - NAB		3,576.86	1,018.47
Spirit Rewards Account		1,349.52	1,349.52
		17,853.27	41,067.78
<b>Receivables</b>			
Trade debtors		492,869.47	359,116.87
Debtors - Voxcomm			207,350.15
Rental bond		6,991.74	6,952.31
		499,861.21	573,419.33
<b>Other</b>			
Spirit Social Club			200.00
			200.00
<b>Total Current Assets</b>		<b>517,714.48</b>	<b>614,687.11</b>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Balance Sheet as at 30 June 2013**

	Note	2013 \$	2012 \$
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Plant & equipment - at cost		68,169.40	65,270.40
Less: Accumulated depreciation		(36,930.00)	(7,514.00)
Building installation fixtures		168,358.95	
Less: Accumulated depreciation		(41,744.00)	
Motor vehicles - at cost		109,289.82	115,118.87
Less: Accumulated depreciation		(23,813.00)	(44,119.00)
Office Equipment		53,397.15	53,397.15
Less: Accumulated depreciation		(30,756.00)	(26,595.00)
		<u>265,972.32</u>	<u>155,558.42</u>
<b>Intangible Assets</b>			
Goodwill		706,890.97	680,000.00
Capitalised Costs		18,563.36	
		<u>725,454.33</u>	<u>680,000.00</u>
<b>Total Non-Current Assets</b>		<u>991,426.65</u>	<u>835,558.42</u>
<b>Total Assets</b>		<u>1,509,141.13</u>	<u>1,450,245.53</u>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Balance Sheet as at 30 June 2013**

	Note	2013 \$	2012 \$
<b>Current Liabilities</b>			
<b>Payables</b>			
<b>Unsecured:</b>			
Trade creditors		301,463.59	343,870.77
BankWest Mastercard		4,810.39	(2,630.58)
YMCA rebate payable		6,956.17	14,596.91
		<u>313,230.15</u>	<u>355,837.10</u>
<b>Financial Liabilities</b>			
<b>Unsecured:</b>			
Loan - Chloedarcy Investments		250,000.00	100,000.00
Loan - Joshart Investments		225,000.00	100,000.00
<b>Secured:</b>			
Voxcomm		200,000.00	200,000.00
		<u>675,000.00</u>	<u>400,000.00</u>
<b>Current Tax Liabilities</b>			
GST on sales		118,129.00	109,513.00
GST on purchases		(102,168.00)	(94,927.00)
GST clearing			(5,195.73)
Payroll tax payable		15,698.98	20,852.19
PAYG withholding		16,606.00	13,102.00
Superannuation payable		26,912.34	26,555.00
		<u>75,178.32</u>	<u>69,899.46</u>
<b>Total Current Liabilities</b>		<u><b>1,063,408.47</b></u>	<u><b>825,736.56</b></u>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Balance Sheet as at 30 June 2013**

	Note	2013 \$	2012 \$
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>Secured:</b>			
Chattel mortgage - Folding Machine			1,100.86
Chattel mortgage - Server			229.32
Chattel mortgage - VW Jetta			15,155.49
Chattel mortgage - Mazda CX7			28,818.62
Chattel mortgage - Kia Sorrento YKX878		42,928.50	52,345.50
Chattel mortgage - Network servers		28,219.07	59,003.51
Chattel mortgage - VW Jetta YSA605		32,885.38	
Chattel mortgage - Mitsubishi ASX		40,192.20	
Unexp interest - Folding Machine			(208.11)
Unexp interest - Server			(29.65)
Unexp interest - VW Jetta			(1,143.71)
Unexp interest - Mazda CX7			(3,671.59)
Unexp interest - Kia Sorento YKX878		(6,495.22)	(9,656.43)
Unexp interest - Network servers		(3,081.46)	(6,443.14)
Unexp interest - VW Jetta YSA605		(6,310.89)	
Unexp interest - Mitsubishi ASX		(5,659.99)	
Voxcomm			200,000.00
		<u>122,677.59</u>	<u>335,500.67</u>
<b>Total Non-Current Liabilities</b>		<u>122,677.59</u>	<u>335,500.67</u>
<b>Total Liabilities</b>		<u>1,186,086.06</u>	<u>1,161,237.23</u>
<b>Net Assets</b>		<u>323,055.07</u>	<u>289,008.30</u>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Detailed Balance Sheet as at 30 June 2013**

	Note	2013	2012
		\$	\$
<hr/>			
<b>Equity</b>			
<b>Issued Capital</b>			
Issued & paid up capital		1,888,251.93	1,888,251.93
<b>Reserves</b>			
Capital Reserve		6,196.00	6,196.00
Retained profits / (accumulated losses)		<u>(1,571,392.86)</u>	<u>(1,605,439.63)</u>
<b>Total Equity</b>		<u><u>323,055.07</u></u>	<u><u>289,008.30</u></u>

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Depreciation Schedule for the year ended 30 June, 2013**

	DISPOSAL		ADDITION		DEPRECIATION		PROFIT		LOSS								
	Total	Priv	OWDV	Date	Consid	Date	Cost	Value	T	Rate	Deprec	Priv	CWDV	Upto + Above	Total -	Priv	
	55,398		26,803	0	0	26,803	4,161	0	22,642								
						Deduct Private Portion	0										
						Net Depreciation	4,161										
<b>Plant &amp; Equipment</b>																	
Network switches	49,894	0.00	49,008	0	0	49,008	D	50.00	24,504				24,504	0	0	0	0
IT Equipment - Lilli Apartments	7,850	0.00	4,440	0	0	4,440	D	50.00	2,220				2,220	0	0	0	0
IT Equipment - Lilli Apartments	7,526	0.00	4,308	0	0	4,308	D	50.00	2,154				2,154	0	0	0	0
Telephone system	2,899	0.00	0	0	27/07/12	2,899	D	20.00	538				2,361	0	0	0	0
	68,169		57,756	0	2,899	60,655			29,416				31,239	0	0	0	0
						Deduct Private Portion	0										
						Net Depreciation	29,416										
<b>Building installation fixtures - modems</b>																	
Building installation costs	168,359	0.00	0	0	01/01/13	168,359	P	50.00	41,744				126,615	0	0	0	0

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Depreciation Schedule for the year ended 30 June, 2013**

Total	DISPOSAL		ADDITION		DEPRECIATION			PROFIT		LOSS					
	Priv	OWDV	Date	Consid	Date	Cost	Value	T	Rate	Deprec	Priv	CWDV	Upto + Above	Total -	Priv
168,359		0		0		168,359	168,359			41,744	0	126,615			
						Deduct Private Portion				0					
						Net Depreciation				41,744					

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Depreciation Pools for the year ended 30 June, 2013**

**Pool : General Pool**

Opening Value of the Pool:	0
Plus the taxable use percentage of assets allocated to the pool for the income year	0
Less deduction for the decline in value of depreciating assets of the pool for the income year	0
Less deduction for the decline in value of depreciating assets allocated to the pool for the income year	0
Less the taxable use percentage of the termination value of pooled assets disposed of during the income year	0
Closing Value of the Pool	0

**Office equipment**

	Total	Priv	OWDV	Date	Disposal	Consid	Date	Addition	Cost	Value	T	Rate	Depreciation	Priv	CWDV
Workstations x 4	3,127	0.00	447	27/01/07	0			0	0	447	D	30.00	134	0	313
Plasma TVs x 2	2,036	0.00	291	19/06/07	0			0	0	291	D	30.00	87	0	204
Office furniture	1,016	0.00	208	09/12/07	0			0	0	208	D	30.00	62	0	146
Network printer	3,574	0.00	729	07/12/07	0			0	0	729	D	30.00	219	0	510

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

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

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

### **(a) Property, Plant and Equipment (PPE)**

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company. 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 revalued carrying amount of the assets charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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

### **(b) Intangibles**

#### **Goodwill**

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

#### **Patents and trademarks**

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 15 to 20 years

### **(c) Cash and Cash Equivalents**

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

### **(d) Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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**These notes should be read in conjunction with the attached compilation report of Exact Tax & Business Resources.**



**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

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Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

**(e) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**(f) Goods and Services 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 Tax 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 components of investing and financing activities, which are disclosed as operating cash flows.

**(g) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

2013

2012

**Note 2: Revenue**

**Operating Activities:**

Non-primary production trading revenue	4,790,833.26	4,074,701.45
Interest revenue	780.54	13,373.11
	<b>4,791,613.80</b>	<b>4,088,074.56</b>

**Note 3: Profit from Ordinary Activities**

Profit (loss) from ordinary activities before income tax has been determined after:

**Crediting as Income:**

Net gain on disposal of investments	4,879.81	28,887.48

**Charging as Expense:**

Bad and doubtful debts		51,957.27
Borrowing costs	41,049.69	14,292.93
Cost of non-primary production goods traded	2,680,730.47	2,910,919.12
Depreciation of non-current assets:		
- Plant and equipment	71,160.00	7,514.00
- Motor vehicles	6,583.51	
- Other	24,911.00	25,155.00
Total depreciation expenses	<b>102,654.51</b>	<b>32,669.00</b>

**Note 4: Dividends**

Dividends provided for or paid		241,999.99
		<b>241,999.99</b>

These notes should be read in conjunction with the attached compilation report of Exact Tax & Business Resources.

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2013**

2013

2012

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

Plant and equipment:

- At cost	68,169.40	65,270.40
- Less: Accumulated depreciation	(36,930.00)	(7,514.00)
	31,239.40	57,756.40

Other plant and equipment:

- At cost	168,358.95	
- Less: Accumulated depreciation	(41,744.00)	
	126,614.95	

Motor vehicles:

- At cost	109,289.82	115,118.87
- Less: Accumulated depreciation	(23,813.00)	(44,119.00)
	85,476.82	70,999.87

Other property, plant and equipment:

- At cost	53,397.15	53,397.15
- Less: Accumulated depreciation	(30,756.00)	(26,595.00)
	22,641.15	26,802.15
	<b>265,972.32</b>	<b>155,558.42</b>

**Note 6: Tax Liabilities**

**Current**

GST on sales	118,129.00	109,513.00
GST on purchases	(102,168.00)	(94,927.00)
GST clearing		(5,195.73)
Payroll tax payable	15,698.98	20,852.19
PAYG withholding	16,606.00	13,102.00
Superannuation payable	26,912.34	26,555.00
	<b>75,178.32</b>	<b>69,899.46</b>

These notes should be read in conjunction with the attached compilation report of Exact Tax & Business Resources.

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**Spirit Telecom (Australia) Pty Ltd ABN 99 112 320 804**  
**Directors' Report**

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**OFFICE COPY**

Your directors present this report on the company for the financial year ended 30 June 2013.

## Directors

The names of the directors in office at any time during or since the end of the year are:

Geoff Neate  
Enrico Lenzi  
Michael Allen  
Branimir Spek

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Operating Result

The profit of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2013	Year ended 30 June 2012
\$ 34,046.77	\$ (472,383.62)

## Principal Activities

The principal activities of the company during the course of the year were telephony.  
No significant change in the nature of these activities occurred during the year.

## Significant Changes in the State of Affairs

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

## After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

## Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

## Environmental Issues

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

## Dividends

The 2011 dividend of \$ 242000.00 (\$ 0.02 per share) referred to in the previous directors' report dated 15/10/2011.

The directors have provided for and recommend a dividend be paid of \$242000.00 (\$0.02 per share) for the current year.

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These financial statements are unaudited. They must be read in conjunction with the attached Accountant's  
Compilation Report and Notes which form part of these financial statements.

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## Share 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.

## Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.


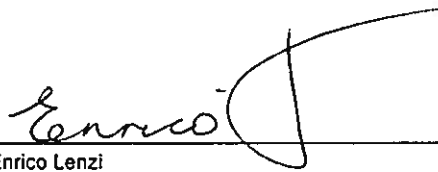
## Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to 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:

  
\_\_\_\_\_  
Geoff Neate  
Director  
\_\_\_\_\_  
Enrico Lenzi  
Director

Dated:

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Directors' Declaration

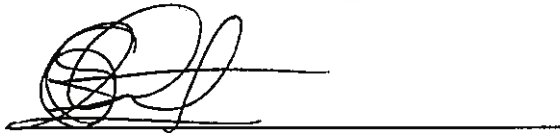
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The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

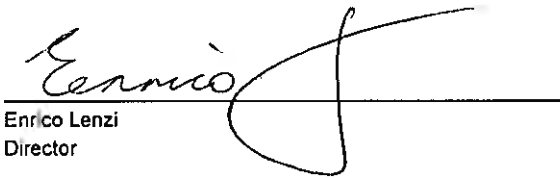
The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2013 and its performance for the year ended on that date 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 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.



Geoff Neate  
Director



Enrico Lenzi  
Director

Dated:

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CURSIO & Co.

CHARTERED ACCOUNTANTS

**SPIRIT TELECOM (AUSTRALIA) PTY LTD**  
ABN 99 112 320 804

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
SPIRIT TELECOM (AUSTRALIA) PTY LTD**

**Scope**

We have audited the accompanying special purpose financial report of Spirit Telecom (Australia) Pty Ltd for the year ended **30 June 2013**, which comprises of the Trading Account, Detailed Profit and Loss Statement, Profit and Loss Statement, Detailed Balance Sheet, Depreciation Schedule, Pool Depreciation Report, Notes to the Financial Statements, Directors' Report, Directors' Declaration and Compilation Report for the year ended on that date. The financial report has been prepared on order to meet the needs of the members. Our appointment and audit was conducted after the special purpose financial report was presented and approved by the directors and distributed to the shareholders.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity'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.

*Liability limited by a scheme approved under Professional Standards Legislation*

26 Young Street  
Moonee Ponds Vic 3039  
Correspondence: PO Box 142  
Ascot Vale Vic 3032



Peter Cursio Pty. Ltd.  
A.B.N. 62 006 593 497  
Telephone: (03) 9370 9860  
Facsimile: (03) 9370 7431

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**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Qualification**

This is the first year that the directors' of Spirit Telecom (Australia) Pty Ltd have decided to have the financial report audited. The Trading Account, Detailed Profit and Loss Statement, Profit and Loss Statement, Detailed Balance Sheet and Notes to the Financial Statements contain comparatives for the preceding corresponding year end that have not been reviewed or audited. The special purpose financial report has been audited after it was presented and approved by the directors and distributed to the shareholders. Accordingly we are not in a position to and do not express any assurance in respect of the comparative information for the year ended 30 June 2012, and the results of its performance and statement of financial position and the opening balances as at 1 July 2012.

**Audit Opinion**

In our opinion, except for the qualification stated above, the financial report of Spirit Telecom (Australia) Pty Ltd is prepared, in all material respects, in accordance with the Corporations Act 2001.

**CURSIO & CO**  
Chartered Accountants

**Date:** 23 February 2015

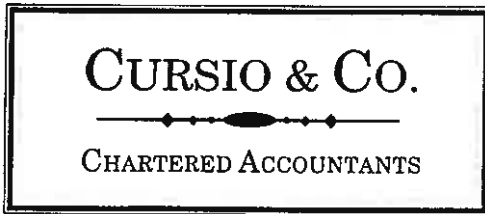
26 Young Street  
**MOONEE PONDS VIC 3039**



**PETER CURSIO**  
Principal

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## Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
**SPIRIT TELECOM (AUSTRALIA) PTY LTD**  
**A.B.N. 99 112 320 804**

I declare that, to the best of my knowledge and belief, during the year ended **30 June 2013** there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit/review, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit/review.

Name of Firm: **Cursio & Co.**

Name of Principal: **Peter Cursio**

Date: **23/02/2015**

Address:  
26 Young Street,  
Moonee Ponds Vic 3039

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