

**STACPOOLE INVESTMENTS LTD**

**A.C.N. 150 351 483**

**FINANCIAL REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2013**

**Stacpoole Investments Ltd**  
**For the period ended 31 December 2013**

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## Directors' Report

Your directors present this report on the company for the period ended 31 December 2013.

### Directors

The names of the directors of Stacpoole Investments Ltd during the financial period and up to the date of this report are:

<b>Name of Director</b>	<b>Appointed</b>	<b>Qualifications, experience and special responsibilities</b>
Ernest Charles Smith	11/04/2011	The director is a Chartered Accountant with 27 years experience in the taxation and business advisory fields. He has interests in businesses that operate in the automotive trade and has been involved in property development in Vanuatu and the USA for the past six years.
Adam Paul Smith	11/04/2011	The director is a qualified accountant and insurance underwriter with 15 years experience in these fields. He has been responsible for property development in the residential and commercial real estate market in Vanuatu and USA for the past five years.
Brendan Selby Scorer	5/10/2011	<p>Brendan is a corporate services adviser with over 39 years experience in capital management, business structuring and securities advice.</p> <p>Brendan has acted as Sponsoring Broker, Nominated Adviser and Underwriter for companies both in Australia and overseas who have listed on the Stock Exchange.</p> <p>Brendan was a Director of the National Stock Exchange of Australia from 1980 - 2002 and is currently the responsible manager at FS Capital Ltd.</p>

### Directors Meetings

During the six month period three directors meetings were held which were attended by all directors.

## **Directors' Report**

### **Review of Operations**

A review of the operations of the company during the financial year and the results of those operations are as follows:

- The company has acquired property in the United States of America and completed renovations of the property to make it available for sale before the end of the financial year.

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

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

### **Principal Activities**

As noted above, the principal activities for the period to 31 December 2013 was the development of real estate in the United States of America.

### **After Balance Date Events**

Since the end of the period the company has been acquired a second property for development and expects that it will be made available for sale before the end of the calendar year.

### **Principal Registered Office**

The principal registered office is Shop 6B, Arnhem Road, Nhulunbuy, Northern Territory.

### **Future developments**

The likely developments of the company and the expected results of those operations in future periods are:

- The company will be engaged in the acquisition of properties in the state of California, in the United States of America.

### **Environmental Issues**

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

### **Dividends**

No dividends were declared or paid since the start of the period. No recommendations for payment of dividends has been made.

**Directors' Report**

**Shares under option**

Unissued ordinary shares of Stacpoole Investments Ltd under option at the date of this report are as follows:

<i><b>Date options Granted</b></i>	<i><b>Expiry Date</b></i>	<i><b>Issue price of shares</b></i>	<i><b>Number under option</b></i>
30 November 2011	31 October 2014	\$0.0575	1,950,000

No option holder has any right under the options to participate in any other share issue of the company or any other entity in the period and there were no options outstanding at the date of this report.

**Indemnifying Officer or Auditor**

No indemnities have been given or agreed to be given or insurance premium paid or agreed to be paid, during or since the end of the period, to any person who is or has been an officer or an auditor of the company.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 307C of the *Corporations Act 2001*.

**Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been included on page 5.

**Auditor**

Robert L Martin continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



Ernest Charles Smith  
Director  
Dated: 14<sup>th</sup> March 2014



**Directors' Declaration**

For the period ended 31 December 2013

The directors of the company declare that:

1. the financial statements and notes as set out on pages 6 to 23 are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(b) give a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the period ended on that date: and

2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ernest Charles Smith  
Director

Dated: 14th March 2014

# STACPOOLE INVESTMENTS LIMITED

## Auditor's Independence Declaration

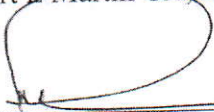
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UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF: STACPOOLE INVESTMENTS LIMITED

I declare that, to the best of my knowledge and belief, during the period 1 July 2014 and 31 December 2014 there have been :

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

Robert L. Martin CA, Reg. Coy. Auditor



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17/03/2014

Ashmore, Qld 4214

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The accompanying notes form part of these financial statements.

Stacpoole Investments Ltd

**Statement of Comprehensive Income  
For the Period Ended 31 December 2013**

	Note	31 December 2013 \$	31 December 2012 \$
<b>Revenue from continuing operations</b>			
Interest Received	1		
<b>Expenses relating to continuing operations</b>			
Audit fees		(2,200)	(22,050)
Consulting fees		(19,364)	
Rent		(240)	
Listing expenses		(7,825)	(12,150)
Bank fees		(90)	(140)
Travel expenses		(24,404)	(7,500)
Employee expenses		(20,000)	
Company filing fees		(72)	(1,969)
Telephone		(1,085)	
<b>Loss for period</b>	<b>7</b>	<b>(75,280)</b>	<b>(43,809)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax			
<b>Total comprehensive loss for the period</b>		<b>(75,279)</b>	<b>(43,809)</b>

The accompanying notes form part of these financial statements



**Statement of Changes in Equity  
As at 31 December 2013**

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 30 June 2013	688,770	112,125	(759,094)	41,801
Total Comprehensive Loss for the period		-	(75,279)	(75,279)
Transactions with owners in their capacity as owners				
Balance at 31 December 2013	<u>688,770</u>	<u>112,125</u>	<u>(834,373)</u>	<u>(33,478)</u>

The accompanying notes form part of these financial statements

**Balance Sheet**  
**As at 31 December 2013**

	Note	31 December 2013 \$	30 June 2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	300,110	319,745
Trade and other receivables	4	194	53,283
<b>TOTAL CURRENT ASSETS</b>		300,304	373,028
<b>TOTAL ASSETS</b>		300,304	373,028
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	3,929	1,375
Borrowings	6	329,853	329,853
<b>TOTAL CURRENT LIABILITIES</b>		333,782	331,227
<b>TOTAL LIABILITIES</b>		333,782	331,227
<b>Net Assets</b>		(33,478)	41,801
<b>Equity</b>			
Contributed Equity	8	688,770	688,770
Other reserves	9	112,125	112,125
Accumulated losses	9	(834,373)	(759,094)
<b>TOTAL EQUITY</b>		(33,478)	41,801

The accompanying notes form part of these financial statements

Stacpoole Investments Ltd

**Statement of Cash Flows**  
For the period ended 31 December 2013

	Note	31 December 2013 \$	31 December 2012 \$
<b>Cash flow from operating activities</b>			
Payments to suppliers and employees (inclusive of goods and services tax)		(19,635)	(78,686)
Proceeds from loans to directors		0	78,741
<b>Net cash (outflow) from operating activities</b>	<b>7</b>	<b>(19,635)</b>	<b>55</b>
<b>Net increase(outflow) in cash and cash equivalents</b>		<b>(19,635)</b>	<b>55</b>
Cash and cash equivalents at beginning of period		319,745	7,535
<b>Cash and cash equivalents at end of period</b>	<b>3</b>	<b>300,110</b>	<b>7,590</b>

The accompanying notes form part of these financial statements

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Note 1- Summary of Significant Accounting Policies**

**(A) Basis for Preparation**

These special purpose financial statements for the six months ended 31 December 2013 have been prepared in accordance with Accounting Standards AASB 134 "Interim Financial Reporting" and other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

The financial report covers Stacpoole Investments Ltd as an individual entity. Stacpoole Investments Ltd is a company limited by shares, incorporated and domiciled in Australia.

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

*Reporting Basis and Conventions*

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

The financial statements have been prepared for the period 1 July 2013 to 31 December 2013.

**(B) Going Concern Basis of Preparation**

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Company being successful in:

1. receiving continuing support of its existing directors and shareholders, including the ongoing subordination of the amounts owing to directors and shareholders of \$329,853;
2. ability to implement the company's business plan and achieve expected financial outcomes, and
3. the company has examined its financial position as at the 31<sup>st</sup> December, 2013 and based on cash flow forecasts for the year ended 30<sup>th</sup> June, 2014 the directors considered the entity will be able to meet its debts as and when they fall due and payable. As a result the directors expect the company will continue as a going concern and therefore, whether it will realize its assets and extinguish its liabilities and commitments in the normal course of business.



## Notes to the Financial Statements For the period ended 31 December 2013

### (C) Accounting Policies

#### Income Tax

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

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

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

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

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

#### Inventories

Inventories are measured at the lower of cost and net realizable value. The cost includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

#### Land and Buildings Held for Resale

Land and buildings held for development and resale is valued at the lower of cost and net realizable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Borrowing costs, foreign currency movements and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.



## Notes to the Financial Statements For the period ended 31 December 2013

### Property, Plant and Equipment

Property, plant and equipment is measured on the cost basis less depreciation and impairment losses.

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

The cost of fixed assets constructed within Stacpoole Investments Ltd includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

#### *Depreciation*

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

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

<b>Class of Asset</b>	<b>Depreciation Rate %</b>
Buildings	2.5%
Leasehold Improvements	10%
Plant and equipment	10%
Other plant and equipment	10%
Motor vehicles	15%
Other	10%

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

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

## **Notes to the Financial Statements**

### **For the period ended 31 December 2013**

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

#### **Leases**

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

Finance leases are capitalised recording as asset and a liability equal to the present value of the minimum lease payments, including and guaranteed residual value. 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 their estimated useful lives where it is likely that Stacpoole Investments Ltd will obtain ownership of the asset or over the term of the lease.

Leased payments under operating leases, where substantially all the risks and benefits remain with the leaser, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating expenses are recognised as a liability and amortized on a straight line basis over the life of the lease term.

#### **Financial Instruments**

##### **a) Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as follows:

##### **b) Financial assets at fair value through profit and loss**

A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139, Recognition and measurement of Financial Instruments. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the period they arise.

##### **c) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.



**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

d) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective rate method.

e) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising for changes in fair value are taken direct to equity.

f) Financial Liabilities

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

g) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated hedges.

h) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine that fair for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing methods.

i) Impairment

At each reporting date, the directors assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

**Impairment of Assets**

At each reporting date, the directors assess whether there is objective evidence that financial instruments has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

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

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Foreign Currency Transactions and Balances**

a) Functional and presentation currency

The functional currency of Stacpoole Investments Ltd is measured using the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars which is the company's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into functional currency using exchange rates prevailing at the date of transaction. Foreign currency monetary items are translated at the year- end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising in the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

c) Group Companies

The financial results and position of foreign operations whose functional currency is different from Stacpoole Investments Ltd presentation currency are translated as follows:

- Assets and liabilities are translated at year end exchange rates prevailing at the reporting date;
- Income and expenses are translated at the average exchange rates for the period;
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the company's foreign currency transaction reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

**Employee Benefits**

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

**Provisions**

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



## **Notes to the Financial Statements**

### **For the period ended 31 December 2013**

#### **Cash and Cash Equivalents**

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

#### **Revenue**

Revenue from the sale of goods is recognised upon the delivery of then goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financials assets.

Dividend revenue is recognised when then right to receive the dividend has been established. Dividends received from associated and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue for the rendering of service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and service tax (GST).

#### **Prepayments**

Prepayments represent future economic benefits to the company and are therefore treated as part of current assets in the balance sheet.

Prepayments at period end represent costs incurred by the company as a result of capital raising programs, and on successful raising of capital will be offset against contributed equity.

#### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the period in which they are

incurred. **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 Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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



## **Notes to the Financial Statements**

### **For the period ended 31 December 2013**

#### **Share-based payments - Options**

The fair value of options granted to directors as part of their compensation benefits is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

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

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

The directors have assessed that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

#### **Note 2 - Financial Risk Management**

Risk management is carried out by the board under policies to be developed by the board of directors. The board of directors is in the process of developing those policies and risks. They identify, evaluate and hedge financial risks. The board will provide written principles for overall interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The company's expected activities will expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company expects to use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives will be exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The methods will include sensitivity analysis in the case of interest rates, foreign exchange rates and other prime risks, aging analysis for credit risks and beta analysis of respect of investment portfolios to determine the market rate.

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

The company holds the following financial instruments at the end of the period:

	31 December 2013	30 June 2013
<b>Financial assets</b>		
Cash and cash equivalents and Trade receivables	300,304	319,745
	300,304	319,745
<b>Financial liabilities</b>		
Trade and other payables	3,929	1,375
Borrowings — Loans from related parties	328,853	329,853
	332,782	331,228

**(a) Market risk**

The company operates international and is exposed to foreign exchange risk arising for the various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entities functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy to manage foreign exchange risk against their functional currency. The company has elected to hedge foreign exchange risk exposure arising from future commercial transactions and recognise assets and liabilities using forward contracts.

**(b) Credit Risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions only independently rated parties with a minimum rating of "A" are accepted.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

At the end of the reporting period the company held cash of \$300,110 in cash reserves. Aside from an amount of \$3,929 accrued for PAYG tax payable all other amounts payable are owed to directors and payment is deferred until 8<sup>th</sup> March, 2015

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Note 3 — Cash and Cash Equivalents**

	31 December 2013	30 June 2013
	\$	\$
Cash on hand and held in trust	290,208	290,208
Cash at bank	9,902	29,537
	<hr/>	<hr/>
9 <b>Total cash and cash equivalents</b>	<b>300,110</b>	<b>319,745</b>

**Note 4 — Trade and Other Receivables**

	31 December 2013	30 June 2013
	\$	\$
GST Receivable	194	53,285
	<hr/>	<hr/>
<b>Total Trade and Other Receivables</b>	<b>194</b>	<b>53,285</b>

**Note 5 — Trade and Other Payables**

	31 December 2013	30 June 2013
	\$	\$
Trade creditors	3,929	1,375
	<hr/>	<hr/>
<b>Total Trade and other payables</b>	<b>3,929</b>	<b>1,375</b>

**Note 6 — Borrowings**

	31 December 2013	30 June 2013
	\$	\$
Loans from related parties*	329,852	329,852
	<hr/>	<hr/>
<b>Total borrowings</b>	<b>329,852</b>	<b>329,852</b>

\*Further information relating to amounts owing to related parties is set out in note 12.



# **Notes to the Financial Statements** **For the period ended 31 December 2013**

## **Note 7 — Reconciliation of profit after income tax to net cash outflow from operating activities**

	31 December 2013 \$	31 December 2012 \$
Loss for the period	(75,278)	(43,809)
Change in operating assets and liabilities		
Non-cash employee benefits expense — share-based options		(26,755)
(Increase) in prepayments	53,089	(2,984)
Decrease in GST Receivable	2554	(5,340)
Increase / (Decrease) in trade creditors	0	78,943
Increase in borrowings		55
<b>Net cash inflow / (outflow) from operating activities</b>	<b>19,635</b>	

## **Note 8 — Contributed Equity**

### **(A) Share Capital**

	31 December 2013 \$	30 June 2013 \$
Ordinary shares fully paid	688,770	688,770
<b>Total share capital</b>	<b>688,770</b>	<b>688,770</b>

### **(B) Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Note 8 — Contributed Equity (cont'd)**

**(C) Movement in Ordinary share capital**

Date issued	Details	Number of shares	Issue Price (\$)	\$
11/04/2011	Shares issued	15,000	0.50	7,500
15/01/2013	Shares Issued	812,700	0.10	81,270
8/03/2013	Shares issued	3,000,000	0.20	600,000
		<b>3,827,700</b>		<b>688,770</b>

**(D) Capital Risk Management**

The company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Note 9 — Other reserves and accumulated losses**

**(A) Other reserves**

	31 December 2013 \$	30 June 2013 \$
Share-based payments	112,125	112,125
<b>Total other reserves</b>	<b>112,125</b>	<b>112,125</b>
<b>Movements:</b>		
<i>Share-based payments</i>		
Balance 1 July 2013		
Share-based payment expense	112,125	
Balance at 31 December 2013	112,125	



**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Note 9 — Other reserves and accumulated losses (cont'd)**

**(B) Accumulated losses**

	31 December 2013 \$	31 June 2013 \$
Accumulated losses	(834,373)	(759,094)
<b>Total accumulated losses</b>	<b>(458,088)</b>	<b>(759,094)</b>
<b>Movements:</b>		
Balance 1 July 2013	(759,094)	
Loss for the year	(75,279)	
Balance at 31 December 2013	<b>(834,373)</b>	

**(C) Nature and purpose of other reserves**

*(i) Share-based payments*

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

**Note 10 — Contingencies**

**Contingent Liabilities**

There are no contingent liabilities as at the end of the financial period nor have any arisen subsequently up to the date of this report.

**Note 11— Commitments**

There are no capital or lease commitments as at the end of the financial period nor have any arisen subsequently up to the date of this report.

**Notes to the Financial Statements**  
**For the period ended 31 December 2013**

**Note 12 — Related Parties**

(a) Key Management Personnel compensation

	<b>31 December 2013</b>	<b>31 December 2012</b>
	\$	\$
Short-term employee benefits	20,000	0
FS Capital Ltd a company associated with Mr. B S Scorer	19,364	0
<b>Total key management personnel compensation</b>	<b>39,364</b>	<b>0</b>

The number of shares in the company held during the period 31 December 2013, by each director of Stacpoole Investments Ltd is as follows:

<b>Details</b>	<b>Number of shares</b>	<b>Issued value of shares (\$)</b>
Ernest Charles Smith	5,000	2,500
Adam Paul Smith	817,700	83,770

Loans from related parties balances of \$329,853 are owed to the directors at 31 December 2013. These balances relate to expenses paid at arm's length and incurred in the ordinary course of business, during the period to 31 December 2013.

(b) Transactions with other related parties

There were no transactions with other related parties for the financial period.

**Note 13 — Events occurring after reporting date**

Since the end of the period the company has been involved in the acquisition of a further property for development in the USA. This property will have extensive renovations carried out and be is expected placed on the market for sale before the end of the calendar year. The existing property owned by the company has had its renovations completed as is currently being marketed.

# **Independent auditor's review report to the directors of Stacpoole Investments Ltd**

## **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Stacpoole Investments Ltd (the company), which comprises the balance sheet as at 31 December 2013 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date 31 December 2013 selected explanatory notes and the directors' declaration for the Stacpoole Investments Ltd.

## **Director's responsibility for the half-year financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Report and the Corporations Regulations 2001. As the auditor of Stacpoole Investments Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Independence**

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



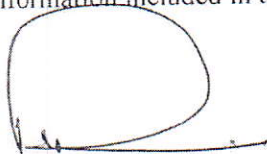
## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stacpoole Investments Ltd is not in accordance with the Corporations Act 2001 including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

## Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the company for the half-year 31 December 2013 included on Stacpoole Investments Ltd's web site. The company's directors are responsible for the integrity of the Stacpoole Investment Ltd's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.



Robert L. Martin  
Chartered Accountant  
Registered Company Auditor

17 March, 2014