

AusCann Group Holdings Ltd

(ABN: 33 601 953 860)

**Financial Report for the period from incorporation
(22 September 2014) to 30 June 2015**

AusCann Group Holdings Ltd
Directors' report
30 June 2015

The directors present their report, together with the financial statements of AusCann Group Holdings Ltd (the "company" or "AusCann") for the period ended 30 June 2015.

Directors

The following persons were directors of AusCann Group Holdings Ltd during the financial period and up to the date of this report, unless otherwise stated:

Harry Karelis – appointed 22 September 2014.
Malcolm James Washer – appointed 29 September 2014.
Elaine Lucy Darby – appointed 22 April 2015.
Troy Langman – appointed 29 September 2014 resigned 16 June 2015.
Tony Nagy - appointed 29 September 2014 resigned 15 December 2014.

Dividends

No dividends were paid during the financial period.

Review of operations

The loss for the period amounted to \$357,277.

Significant changes in the state of affairs

The Company raised \$835,010 from shareholders during the current period. Other than this matter there were no other significant changes in the state of affairs.

Likely developments and expected results of operations

We are expecting that AusCann will be in a position to apply for a cultivation license and a manufacturing license in 2016. We are also expecting that we will have the relevant expertise and contacts to commence operations in a timely manner.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Malcolm James Washer
Title:	Non-executive Chairman (appointed 29 September 2014)
Qualifications:	MBBS, ex Member of the House of Representatives
Experience and expertise:	Dr Washer was a Liberal member of the Australian House of Representatives from 1998 to 2013. He was educated at the University of Western Australia, graduating in 1970 with degrees in medicine and surgery. He was a general practitioner before entering politics & established a number of prominent medical centres in Western Australia. Mal was also past chair of the Alcohol and Other Drugs Council of Australia. He has extensive experience in agricultural and horticultural activities and currently operates a commercial avocado plantation in Western Australia bringing highly relevant medical and horticultural expertise and experience to AusCann.

Name:	Elaine Lucy Darby
Title:	Managing Director (appointed 22 April 2015)
Qualifications:	BSc(Hons) LLB(Hons)
Experience and expertise:	Ms Darby holds a Bachelor of Science in Biochemistry & Microbiology, Honours in Molecular Biology and a Bachelor of Laws. Previous roles have included as a lawyer with top tier corporate law firm Clayton Utz, Media and Communications Officer for an Australian Federal Member of Parliament, and Managing Director and Senior Winemaker of Aquila Estate Winery where she was an award winning wine-maker and also involved in international business development and marketing in territories including Singapore, Japan, Canada, the United Kingdom, and the United States.

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Directors' report
30 June 2015

Name: Harry Karelis
Title: Executive Director (appointed 22 September 2014)/Company Secretary (resigned as Company Secretary on 1 December 2014)
Qualifications: B.Sc(Hons) MBA Grad.Dip Applied Finance & Investment CFA FFin FAICD
Experience and expertise: Mr Karelis is the founder of Titan Capital Partners - a privately held investment group involved in a range of projects. He graduated from The University of Western Australia with Bachelors and Honours in Science majoring in Biochemistry and Microbiology as well as a Masters in Business Administration. He is a Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and has qualified as a Chartered Financial Analyst (CFA) from the CFA Institute in the United States.

Prior to establishing Titan, Mr Karelis worked in the financial services industry with roles in financial analysis and funds management both in Australia and overseas including extended periods at Hartley Poynton (now Hartleys) and Challenger Group. He has in excess of 23 years diversified experience in the financial services sector including fundamental analysis, funds management and private equity investing. He has considerable cross-border experience and has acted as a Director on several public and private companies in Australia, Singapore, the United Kingdom and the United States of America.

Other Directorships: VTX Holdings Ltd, Velpic Ltd (formerly International Coal Ltd)

Company secretary

Susan Hunter BCom, ACA, F Fin, GAICD, AGIA

Ms. Hunter has 20 years' experience in the corporate finance industry and is founder and Managing Director of consulting firm Hunter Corporate Pty Ltd which specialises in the provision of corporate governance and company secretarial advice to ASX listed companies. Ms. Hunter holds a Bachelor of Commerce degree from the University of Western Australia majoring in accounting and finance, is a Member of the Australian Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australasia, a Member of the Governance Institute of Australia and is a Member of the Australian Institute of Company Directors. She has held the role of Company Secretary since December 2014.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2015, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Harry Karelis	7	7
Malcolm James Washer	6	6
Elaine Lucy Darby	2	2
Tony Nagy	2	2
Troy Langman	6	6

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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Directors' report
30 June 2015

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

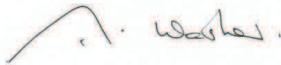
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

PKF Mack continues in office in accordance with section 327 of the Corporations Act 2001.

On behalf of the directors



Dr Malcolm James Washer
Chairman

Date 30 October 2015
Perth



Accounting, Financial and Business Advisory

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF AUSCANN GROUP HOLDINGS LTD

In relation to our audit of the financial report of AusCann Group Holdings Ltd for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'Shane Cross'.

PKF MACK

A handwritten signature in blue ink that reads 'Shane Cross'.

SHANE CROSS
PARTNER

30 OCTOBER 2015
WEST PERTH,
WESTERN AUSTRALIA

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AusCann Group Holdings Ltd

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30 June 2015

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General information

The financial statements cover AusCann Group Holdings Ltd for the period. The financial statements are presented in Australian dollars, which is AusCann Group Holdings Ltd's functional and presentation currency.

AusCann Group Holdings Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Omnis Group
Ground Floor
1 Alvan Street
SUBIACO, WA 6008

Principal place of business

Omnis Group
Ground Floor
1 Alvan Street
SUBIACO, WA 6008

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2015. The directors have the power to amend and reissue the financial statements.

AusCann Group Holdings Ltd
Statement of profit or loss and other comprehensive income
For the period end 30 June 2015

	Note	2015 \$
Revenue	3	7,285
Expenses		
Depreciation expense	4	(155)
Other expenses	4	(364,407)
		<hr/>
Loss before income tax expense		(357,277)
Income tax expense		<hr/> -
Loss after income tax expense for the year		(357,277)
Other comprehensive income		
Other comprehensive income for the year, net of tax		<hr/> -
Total comprehensive loss for the year		<hr/> <u>(357,277)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AusCann Group Holdings Ltd
Statement of financial position
As at 30 June 2015

	Note	2015 \$
Assets		
Current assets		
Cash and cash equivalents	5	486,563
Trade and other receivables	6	<u>36,118</u>
Total current assets		522,681
Non-current assets		
Property, plant and equipment	7	544
Intangibles	8	<u>56,221</u>
Total non-current assets		<u>56,765</u>
Total assets		<u>579,446</u>
Liabilities		
Current liabilities		
Trade and other payables	9	6,904
Other current liabilities	10	<u>109,609</u>
Total current liabilities		<u>116,513</u>
Total liabilities		<u>116,513</u>
Net assets		<u><u>462,933</u></u>
Equity		
Issued capital	11	820,210
Accumulated losses	12	<u>(357,277)</u>
Total equity		<u><u>462,933</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

AusCann Group Holdings Ltd
Statement of changes in equity
For the period end 30 June 2015

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 22 September 2014	-	-	-	-
Loss after income tax expense for the period	-	-	(357,277)	(357,277)
Other comprehensive loss for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(357,277)	(357,277)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	820,210	-	(357,277)	462,933
Balance at 30 June 2015	<u>820,210</u>	<u>-</u>	<u>(357,277)</u>	<u>462,933</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

AusCann Group Holdings Ltd
Statement of cash flows
For the period end 30 June 2015

	Note	2015 \$
Cash flows from operating activities		
Interest received		7,285
Payments to suppliers and employees		<u>(384,012)</u>
Net cash used in operating activities	17	<u>(376,727)</u>
Cash flows from investing activities		
Payments for intellectual property		(21,221)
Payments for property, plant and equipment		<u>(699)</u>
Net cash used in investing activities		<u>(21,920)</u>
Cash flows from financing activities		
Proceeds from issue of shares		835,010
Share issue transaction costs		(49,800)
Advance from shareholders		<u>100,000</u>
Net cash from financing activities		<u>885,210</u>
Net increase in cash and cash equivalents		486,563
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	5	<u><u>486,563</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of AusCann Group Holdings Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of AusCann Group Holdings Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 1. Significant accounting policies (continued)

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intellectual Property

SOP License granted by CannaPharm to produce medicinal cannabis in facilities that are wholly owned companies/subsidiaries of AusCann is an indefinite life intangible asset. It is not amortised, instead, it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of capitalised intellectual property costs

The directors have assessed the cost for impairment of the SOP license at reporting date by examining whether there are any indicators of impairment. At 30 June 2015, there are no indicators of impairment.

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 3. Revenue

	2015
	\$
<i>Other revenue</i>	
Interest	<u>7,285</u>
	<u>7,285</u>
Revenue	<u><u>7,285</u></u>

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 4. Expenses

	2015
	\$
Loss before income tax includes the following specific expenses:	
<i>Depreciation</i>	
Plant and equipment	155
Total depreciation	155
<i>Other Expenses</i>	
Accounting and Bookkeeping	7,067
Advertising	118
Auditor Fees	8,500
Bank Fees	65
Consulting – Directors Fees	135,000
Consulting Fees	126,353
Filing Fees	386
Insurance	2,265
Interest Expenses	601
Legal Expenses	10,893
Printing & Stationery	885
Subscriptions	52
Telephone & Internet	1,934
Travel & Accommodation	70,042
Website Expenses	246
Total other expenses	364,407

Note 5. Current assets - cash and cash equivalents

Cash on hand	10
Cash at bank	486,553
	<u>486,563</u>

Reconciliation to cash and cash equivalents at the end of the financial period

The above figures are reconciled to cash and cash equivalents at the end of the financial period as shown in the statement of cash flows as follows:

Balances as above	486,563
Balance as per statement of cash flows	<u>486,563</u>

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 6. Current assets - trade and other receivables

	2015
	\$
Goods and Services Tax ("GST") receivable	27,492
Other receivable	6,752
Prepayments	1,874
	<u>36,118</u>

Note 7. Non-current assets - property, plant and equipment

Plant and equipment - at cost	699
Less: Accumulated depreciation	<u>(155)</u>
	<u>544</u>
	<u><u>544</u></u>

Reconciliations

Reconciliation of the written down values at the beginning and end of the current financial period are set out below:

	Plant and equipment \$	Total \$
Balance at 22 September 2014	-	-
Additions	699	699
Disposals	-	-
Depreciation expense	<u>(155)</u>	<u>(155)</u>
Balance at 30 June 2015	<u>544</u>	<u>544</u>

Note 8. Non-current assets - intangibles

	2015
	\$
License (SOP)	56,221
Less: Impairment	<u>-</u>
	<u>56,221</u>

Note 9. Current liabilities - trade and other payables

Other payables	<u>6,904</u>
	<u><u>6,904</u></u>

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 10. Current liabilities - other

	2015
	\$
Accrued expenses	9,350
Amounts due to shareholders	100,000
Loan – Tascan Pty Ltd	259
	<u>109,609</u>

Note 11. Equity - issued share capital

	2015	2015
	Shares	\$
Ordinary shares - fully paid	1174	870,010
Capital raising costs		(49,800)
		<u>820,210</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	22 September 2014	-		-
Issue of shares	Sept 2014	1,000	\$0.01	10
Issue of shares	Oct 14 - Feb 15	167	\$5,000	835,000
Issue of shares – share based payment*	Oct 14 - Feb 15	<u>7</u>	\$5,000	<u>35,000</u>
Balance	30 June 2015	<u>1,174</u>		<u>870,010</u>

*Shares issued in part consideration for the acquisition of SOP license with a deemed fair value of \$35,000.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Equity – accumulated losses

	2015
	\$
Accumulated losses at the beginning of the financial period	-
Loss after income tax expense for the period	(357,277)
Accumulated losses at the end of the financial period	<u>(357,277)</u>

AusCann Group Holdings Ltd
Notes to the financial statements
30 June 2015

Note 13. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by PKF Mack:

	2015
	\$
Audit or review of the financial statements	<u>8,500</u>

Note 14. Contingent assets

As at 30 June 2015, AusCann Group Holdings Ltd has no contingent assets.

Note 15. Contingent liabilities

As at 30 June 2015, AusCann Group Holdings Ltd has no contingent liabilities.

Note 16. Commitments

As at 30 June 2015, AusCann Group Holdings Ltd has no commitments for expenditure.

Note 17. Reconciliation of loss after income tax to net cash from operating activities

	2015
	\$
Loss after income tax expense for the period	(357,277)
Adjustments for:	
Depreciation	155
Increase in trade and other receivables	(36,118)
Increase in trade and other payables	6,904
Increase in other current liabilities	9,609
Net cash from operating activities	<u>(376,727)</u>

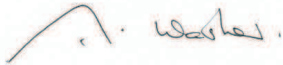
AusCann Group Holdings Ltd
Directors' declaration
30 June 2015

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of AusCann Group Holdings Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards to the extent described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dr Malcolm James Washer
Chairman

30 October 2015
Perth



Accounting, Financial and Business Advisory

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSCANN GROUP HOLDINGS LTD

Report on the Financial Report

We have audited the accompanying financial report of AusCann Group Holdings Ltd (the company), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1, and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

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

Opinion

In our opinion:

- (a) the financial report of AusCann Group Holdings Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.



PKF MACK



SHANE CROSS
PARTNER

30 OCTOBER 2015
WEST PERTH,
WESTERN AUSTRALIA

Company Tax Return**2015**

1 Jul 2014—30 Jun 2015

PART A ELECTRONIC LODGMENT DECLARATION (FORM C)

This declaration is to be completed where the tax return is to be lodged to the ATO electronically. It is the responsibility of the taxpayer to retain this declaration for a period of five years after the declaration is made, penalties may apply for failure to do so.

Privacy

Taxation law authorises the ATO to collect information including personal information about the person authorised to sign the declaration. For information about your privacy go to ato.gov.au/privacy.

Electronic Funds Transfer – Direct Debit

Where you have requested an EFT direct debit some of your details will be provided to your financial institution and the Tax Office's sponsor bank to facilitate the payment of your taxation liability from your nominated account.

Tax File Number	Name of Company	Year
	AusCann Group Holdings Limited	2015

Important

Before making this declaration please check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The tax law provides heavy penalties for false or misleading statements on tax returns.

Authorisation

By signing this document, I authorise my tax agent to electronically transmit this tax return.

Declaration - I declare that:

- the information provided to my registered tax agent for the preparation of this tax return, including any applicable schedules is true and correct, and
- the agent is authorised to lodge this tax return.

Signature of public officer	Date

PART D TAX AGENTS CERTIFICATE (SHARED FACILITIES USERS ONLY)

Client Ref	Agent Ref No.	Contact Name	Contact No.
	64200005	Justin Flavel	08 93803555

Declaration - I declare that:

- I have prepared this tax return in accordance with the information supplied by the public officer.
- I have received a declaration made by the entity that the information provided to me for the preparation of this tax return is true and correct.
- I am authorised by the public officer to lodge this tax return, including any applicable schedules.

Agent's Signature	Date

Company Tax Return**2015**

1 Jul 2014—30 Jun 2015

COMPANY DETAILS

Tax File Number	Australian Business Number	Final tax return
	33 601 953 860	No
Company name	Previous company name	In liquidation
AusCann Group Holdings Limited		
Australian Company Number	Australian Registered Business Number (ARBN)	

CURRENT POSTAL ADDRESS		PREVIOUS POSTAL ADDRESS		BUSINESS ADDRESS	
PO Box 1296 SUBIACO				PO Box 114 APPLECROSS	
State	Postcode	State	Postcode	State	Postcode
WA	6008			WA	6153
Country - if not Australia		Country - if not Australia		Country - if not Australia	

YOUR BANKING INFORMATION (EFT DETAILS)

BSB Number	Account Number	Account Name

TAX AGENT CONTACT DETAILS

Agent Name	Agent Ref Number	Contact Number
Justin Flavel	64200005	08 93803555

PUBLIC OFFICER CONTACT DETAILS

Title	Given name	Other given names	Family name
	Harry		Karelis
Suffix	Phone area code	Phone number	Contact name
	08	93803555	Justin Flavel

Company information

1 ULTIMATE HOLDING COMPANY NAME AND ABN OR COUNTRY CODE	
Australian Business Number (ABN)	
Country code	
Immediate holding company name	
Australian Business Number (ABN)	
2 DESCRIPTION OF MAIN BUSINESS ACTIVITY	
	Drug plants growing
Industry code	B 01590
Percentage of foreign shareholding	A
3 STATUS OF COMPANY	
Residency	C1 - Resident
Type of company	D10 - Public
Status of business	E3 - Commenced business
Consolidated group status	
4 INTERPOSED ENTITY ELECTION STATUS	
Year of the earliest election	L
5 TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)	
Did you make a gain, loss or transitional balancing adjustment from a financial arrangement subject to the TOFA rules?	M

Information statement

6 CALCULATION OF TOTAL PROFIT OR LOSS	
Income	
Gross payments subject to foreign resident withholding	B
Gross payments where ABN not quoted	A
Other sales of goods and services	C
Gross distribution from partnerships	D
Gross distribution from trusts	E
Forestry managed investment scheme income	X
Gross interest	F \$7,285.00
Gross rent and other leasing and hiring income	G
Total dividends	H
Fringe benefit employee contributions	I
Assessable government industry payments	Q
Unrealised gains on revaluation of assets to fair value	J
Income from financial arrangements (TOFA)	K
Other gross income	R
Total Income	S \$7,285.00

Expenses

Foreign resident withholding expenses	B	
Cost of sales	A	
Contractor, sub-contractor and commission expenses	C	
Superannuation expenses	D	
Bad debts	E	
Lease expenses within Australia	F	
Lease expenses overseas	I	
Rent expenses	H	
Interest expenses within Australia	V	
Interest expenses overseas	J	
Royalty expenses within Australia	W	
Royalty expenses overseas	U	
Depreciation expenses	X	\$155.00
Capital allowance assets		
Low value pool assets		
Other depreciation		
SBE Immediate write-off		
SBE General pool deductions		
Motor vehicle expenses	Y	
Repairs and maintenance	Z	
Unrealised losses on revaluation of assets to fair value	G	
Expenses from financial arrangements (TOFA)	L	
All other expenses	S	\$364,407.00
Total expenses	Q	\$364,562.00
Total Loss	(S minus Q) T	\$357,277.00

Reconciliation**7 RECONCILIATION TO TAXABLE INCOME OR LOSS**

Total profit or loss amount shown at T item 6	T	\$357,277.00
Did you have a CGT event during the year?	G	No
Have you applied an exemption or rollover?	M	
Prior year losses brought forward		
Net Capital Losses from Collectables		
Other Net Capital Losses		
Net capital gain	A	

Losses carried forward

Net Capital Losses from Collectables		\$0.00
Other Net Capital Losses		\$0.00
Non-deductible exempt income expenditure	U	
Franking credits	J	
Australian franking credits from a New Zealand company	C	
TOFA income from financial arrangements not included in item 6	E	
Other assessable income	B	
Non-deductible expenses	W	\$155.00
Accounting expenditure in item 6 subject to R&D tax incentive	D	
Subtotal		\$155.00
Less		
Section 46FA deduction for flow-on dividends	C	
Deduction for decline in value of depreciating assets	F	\$155.00
Forestry managed investment scheme deduction	U	
Immediate deduction for capital expenditure	E	
Deduction for project pool	H	
Capital works deductions	I	
Section 40-880 deduction	Z	
Landcare operations and deduction for decline in value of water facility	N	
Deduction for environmental protection expenses	O	
Offshore banking unit adjustment	P	
Exempt income	V	
Other income not included in assessable income	Q	
TOFA deductions from financial arrangements not included in Item 6	W	
Other deductible expenses	X	
Tax losses deducted	R	
Tax losses transferred in (from or to: a foreign bank branch or a PE of a foreign financial entity)	S	
Subtraction items subtotal		\$155.00
Taxable/net loss	T	\$357,277.00

Financial Information

8 FINANCIAL AND OTHER INFORMATION

Functional currency translation rate	N	
Functional currency chosen	O	
Opening stock	A	
Purchases and other costs	S	
Closing stock	B	
Trading stock election		
Trade debtors	C	
All current assets	D	\$522,681.00
Total assets	E	\$579,446.00
Trade creditors	F	
All current liabilities	G	\$116,513.00
Total liabilities	H	\$116,513.00
Total debt	J	
Commercial debt forgiveness	K	
Franked dividends paid	J	
Unfranked dividends paid	K	
Franking account balance	M	
Excess franking offsets	H	
Loans to shareholders and their associates	N	
Total salary and wage expenses	D	
Payments to associated persons	Q	
Gross foreign income	G	
Net foreign income	R	
Attributed foreign income		
Listed country	B	
Section 404 country	C	
Unlisted country	U	
Transferor trust	V	
Total TOFA gains	T	
Total TOFA losses	U	
TOFA balancing adjustment	R	
TOFA gains from unrealised movements in the value of financial arrangements	S	

Other Information

9 CAPITAL ALLOWANCES

Depreciating assets first deducted in this income year

Intangible depreciating assets first deducted **A**

Other depreciating assets first deducted **B**

Have you self-assessed the effective life of any of these assets? **C**

For all depreciating assets:

Did you recalculate the effective life for any of your assets this income year? **D**

Total adjustable values at end of income year **E**

Assessable balancing adjustments on the disposal of intangible depreciating assets **F**

Deductible balancing adjustments on the disposal of intangible depreciating assets **G**

Termination value of intangible depreciating assets **H**

Termination value of other depreciating assets **I**

For entities connected with mining operations, exploration or prospecting:

Total mining capital expenditure and/or transport capital that you allocated to a project pool and for which you can claim a deduction this income year **J**

Total deduction for decline in value of intangible depreciating assets used in exploration or prospecting **K**

Total deduction for decline in value of other depreciating assets used in exploration or prospecting **L**

10 SMALL BUSINESS ENTITY SIMPLIFIED DEPRECIATION

Deduction for certain assets **A**

Deduction for general small business pool **B**

11 CONSOLIDATION DEDUCTIONS RELATING TO RIGHTS TO FUTURE INCOME, CONSUMABLE STORES AND WORK IN PROGRESS

Pre rules deductions **D**

Interim rules deductions **E**

Prospective rules deductions **F**

12 NATIONAL RENTAL AFFORDABILITY SCHEME

National rental affordability scheme tax offset entitlement **J**

13 LOSSES INFORMATION

Tax losses carried forward to later income years **U** \$357,277.00

Net capital losses carried forward to later income years **V**

14 PERSONAL SERVICES INCOME

Does your income include an individual's personal services income?	N	No
Total amount of PSI included at item 6 income labels	A	
Total amount of deductions against PSI included at item 6 expense labels	B	
Did you satisfy the results test in respect of any individual?	C	
Do you hold a personal services business (PSB) determination in respect of any individual?	D	
Unrelated clients test	E1	
Employment test	E2	
Business premises test	E3	

15 LICENCED CLUBS ONLY

Percentage of non-member income	A
---------------------------------	----------

16 LIFE INSURANCE COMPANIES AND FRIENDLY SOCIETIES ONLY

Complying superannuation/FHSA class	B
Net capital gain – complying superannuation/FHSA class	C
Net capital gain – ordinary class	D
Assessable contributions	E
Fees and charges	F

17 FIRST HOME SAVER ACCOUNT (FHSA) PROVIDERS ONLY

Amounts credited to FHSAs	L
Fees and charges applied to FHSAs	M
Net amounts credited to FHSAs	N

18 POOLED DEVELOPMENT FUNDS

Small and medium enterprises income	G
Unregulated investment income	H

19 RETIREMENT SAVINGS ACCOUNTS (RSAs) PROVIDERS ONLY

No-TFN contributions income	U
Income tax payable on no-TFN contributions income	X
Net taxable income from RSAs	V

20 FOREIGN INCOME TAX OFFSET

Foreign income tax offset	J
---------------------------	----------

21 RESEARCH AND DEVELOPMENT TAX INCENTIVE

Non-refundable R&D tax offset	A
Non-refundable R&D tax offset carried forward from previous year	B
Non-refundable R&D tax offset to be utilised in current year	C
Non-refundable R&D tax offset carried forward to next year	D
Refundable R&D tax offset	U
Feedstock adjustment – additional assessable income	W

22 INTERNET TRADING

Did you sell any goods or services using the internet?

 Q**23 REPORTABLE TAX POSITION**

Are you required to lodge a reportable tax position schedule?

 B

No

24 DID YOU HAVE ANY TRANSACTIONS OR DEALINGS WITH INTERNATIONAL RELATED PARTIES?

Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements

 X

No

25 WAS THE AGGREGATE AMOUNT OF THE TRANSACTIONS OR DEALINGS WITH INTERNATIONAL RELATED PARTIES

Including the value of property transferred or the balance outstanding on any loans greater than \$2 million?

 Y

No

26 OVERSEAS INTERESTS

Did you have overseas branch operations or a direct or indirect interest in a foreign trust, foreign company, controlled foreign entity or transferor trust?

 Z

No

27 THIN CAPITALISATION

Did the thin capitalisation provisions apply?

 O

No

28 TRANSACTIONS WITH SPECIFIED COUNTRIES

Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property OR Do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries?

 I

No

Calculation statement

Taxable or net income	A	\$0.00
Tax on taxable or net income	T1	\$0.00
R&D recoupment tax	M	
Gross tax	(T1 plus M) B	\$0.00
Non-refundable non-carry forward tax offsets	C	
Subtotal 1	(B less C - cannot be less than zero) T2	\$0.00
Non-refundable carry forward tax offsets	D	
Subtotal 2	(T2 less D - cannot be less than zero) T3	\$0.00
Refundable tax offsets	E	
Subtotal 3	(T3 less E - cannot be less than zero) T4	\$0.00
Franking deficit tax offset	F	
Tax Payable	(T4 less F - cannot be less than zero) T5	\$0.00
Section 102AAM interest charge	G	
Eligible credits	H	\$0.00
Credit for interest on early payments – amount of interest	H1	
Credit for tax withheld – foreign resident withholding	H2	
Credit for tax withheld where ABN is not quoted	H3	
Tax withheld from interest or investments	H4	
Credit for TFN amounts withheld from payments from closely held trusts	H5	
Other credits	H7	
Tax offset refunds (Remainder of refundable tax offsets)	I	\$0.00
PAYG instalments raised	K	
Amount payable/refundable	S	\$0.00
Hours taken to prepare and complete this return		

Losses schedule

Part A Losses carried forward to the 2015–16 income year

1 TAX LOSSES CARRIED FORWARD TO LATER INCOME YEARS

2014–2015	B	\$357,277.00
2013–2014	C	
2012–2013	D	
2011–2012	E	
2010–2011	F	
2009–2010 and earlier years	G	
Total	U	\$357,277.00

2 NET CAPITAL LOSSES CARRIED FORWARD TO LATER INCOME YEARS

2014–2015	H	
2013–2014	I	
2012–2013	J	
2011–2012	K	
2010–2011	L	
2009–2010 and earlier years	M	
Total	V	

Part B Ownership and same business test

1 WHETHER CONTINUITY OF MAJORITY OWNERSHIP TEST PASSED

2014–2015	A
2013–2014	B
2012–2013	C
2011–2012	D
2010–2011	E
2009–2010 and earlier years	F

2 AMOUNT OF LOSSES DEDUCTED FOR WHICH THE CONTINUITY OF MAJORITY OWNERSHIP TEST IS NOT PASSED BUT THE SAME BUSINESS TEST IS SATISFIED – EXCLUDES FILM LOSSES

Tax losses	G
Net capital losses	H

3 LOSSES CARRIED FORWARD FOR WHICH THE SAME BUSINESS TEST MUST BE SATISFIED BEFORE THEY CAN BE DEDUCTED IN LATER YEARS – EXCLUDES FILM LOSSES

Tax losses	I
Net capital losses	J

4 DO CURRENT YEAR LOSS PROVISIONS APPLY?

Is the company required to calculate its taxable income or tax loss for the year under Subdivision 165-B or its net capital gain or net capital loss for the year under Subdivision 165-CB of the Income Tax Assessment Act 1997 (ITAA 1997)?	K
---	----------

Part C Unrealised losses

Has a changeover time occurred in relation to the company after 1.00pm by legal time in the Australian Capital Territory on 11 November 1999?	L	No
At the changeover time did the company satisfy the maximum net asset value test under section 152-15 of ITAA 1997?	M	
If you selected No at M, has the company determined it had an unrealised net loss at the changeover time?	N	
If you selected Yes at N, what was the amount of unrealised net loss calculated under section 165-115E of ITAA 1997?	O	

Part D Life insurance companies

Complying superannuation/FHSA class tax losses carried forward to later income years	P	
Complying superannuation/FHSA net capital losses carried forward to later income years	Q	

Part E Controlled foreign company losses

Current year CFC losses	M	
CFC losses deducted	N	
CFC losses carried forward	O	

Part F Tax losses reconciliation statement

Balance of tax losses brought forward from the prior income year	A	\$0.00
ADD Uplift of tax losses of designated infrastructure project entities	B	
SUBTRACT Net forgiven amount of debt	C	
ADD Tax loss incurred (if any) during current year	D	\$357,277.00
SUBTRACT Tax losses carried back	K	
ADD Tax loss amount from conversion of excess franking offsets	E	
SUBTRACT Net exempt income	F	
SUBTRACT Tax losses forgone	G	
SUBTRACT Tax losses deducted	H	
SUBTRACT Tax losses transferred out under Subdivision 170-A (only for transfers involving a foreign bank branch or a PE of a foreign financial entity)	I	
Total tax losses carried forward to later income years	J	\$357,277.00

Notes for Persons Signing Income Tax Returns

Each person signing an income tax return, in light of their knowledge of their own affairs, should read these notes carefully to ensure there are no inaccuracies in the return.

True and Full Disclosure

Your attention is drawn to the following important considerations to ensure the correctness of each income tax return:

- that income from all sources has been disclosed;
- that all deductions claimed can be justified;
- that all deductions claimed for work, car and travel expenses can be substantiated by the required records and receipts;
- that all statements are correct and complete

Capital Gains Tax and Overseas Income

Every sale of property of any description should be considered for the possible application of both income tax and capital gains tax.

Your attention is specifically directed to the questions concerning the sale of property, income derived from overseas sources and property located overseas.

The worldwide income of Australian resident taxpayers is taxable in Australia with a credit allowed for the income tax paid in a foreign country on that income.

Substantiation of Work, Car and Travel Costs

Please advise if you would like us to provide you with details of the requirements to keep records and receipts to substantiate any deductions claimed for work, car and travel expenses. Where claims have been made in your return for any of these expenses, substantiation requirements need to be clearly understood before signing the declaration included on the front cover of your return. If you have any doubts, these should be resolved before signing the declaration.

False and Misleading Statements

If an answer to a question or any statement made in an income tax return or an attached schedule appears to be incorrect, incomplete or misleading, please provide the information needed to amend the return. Penalties may be imposed on an assessment for an incorrect return under the Income Tax Assessment Act 1936 and/or the Income Tax Assessment Act 1997 for up to double the amount of additional income tax subsequently assessed. These penalties may apply even if the error was made innocently. Alternatively, in more serious cases, prosecutions may be instituted under the Taxation Administration Act 1953 and fines imposed by the Courts, if convicted.

Self Assessment

These considerations assume greater significance now that the Australian Taxation Office is increasingly reliant upon self-assessment by taxpayers. The issue and payment of an assessment does not imply the tax liability for the year has been finalised. As a consequence, a greater onus is placed on taxpayers to ensure that income tax returns are accurately prepared and contain no misleading statements or information. All taxpayers may expect some attention from the Australian Taxation Office about their past taxation affairs. The penalty for any errors and omissions detected at that time may assume large proportions if several years have passed since the income tax return was lodged and assessed.

If you have any queries or concerns regarding these matters, please contact us.

Print name: _____ Date: _____

Signed: _____