

# Financial Statements

Harvestaire Pty Ltd  
For the year ended 31 December 2022

Prepared by RSM Australia (Digital)

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# Profit and Loss Statement

Harvestaire Pty Ltd

For the year ended 31 December 2022

	NOTES	2022	2021
<b>Income</b>			
<b>Trading Income</b>			
<b>Trading Revenue</b>			
Freight Income		-	148,345
Sales		12,167,397	9,105,378
<b>Less: Cost of Goods Sold</b>			
<b>Purchases &amp; Other Costs</b>			
Cost of Sales		(6,618,221)	(4,410,552)
Direct Wages		(1,176,621)	(995,058)
Direct Freight & Cartage		(527,167)	(350,374)
Discounts Allowed		(26,071)	(1,528)
Other Direct Costs		(24,342)	(8,311)
Cost of Returns		(48)	(153)
<b>Total Purchases &amp; Other Costs</b>		<b>(8,372,470)</b>	<b>(5,765,975)</b>
<b>Total Cost of Goods Sold</b>		<b>(8,372,470)</b>	<b>(5,765,975)</b>
<b>Gross Profit from Trading</b>		<b>3,794,928</b>	<b>3,487,748</b>
<b>Other Income</b>			
Other Income		113,830	10,937
Discounts Received		102,340	9,207
Realized Gain/Loss		12,223	3,707
<b>Total Other Income</b>		<b>228,393</b>	<b>23,851</b>
<b>Total Income</b>		<b>4,023,320</b>	<b>3,511,599</b>

The accompanying notes form part of these financial statements. This report is to be read in conjunction with the attached compilation report of RSM Australia Pty Ltd

	NOTES	2022	2021
<b>Expenses</b>			
Accounting & Legal Fees		83,223	24,032
Advertising - General		192,659	109,054
Instant Asset Write Off		111,770	35,282
Bank Charges		43,501	33,761
Borrowing Costs		30	-
Computer Expenses		143,162	165,292
Depreciation		15,905	15,905
Digital Security & Virus Protection		20,024	-
Domain Fees		21,285	-
Entertainment Expenses		-	156
Equipment Repairs & Maintenance		9,272	13,423
Factory Wages		640,783	931,702
Insurance		191,211	70,467
Interest Paid		218,801	100,025
Lease Costs		-	1,808
Motor Vehicle Expenses		11,674	11,868
Other Expense		30,604	-
Payroll Tax		112,620	82,662
Postage		8,741	8
Printing & Stationery		7,222	6,537
Rent		349,747	184,753
Rent Outgoings		66,548	-
Rent Utilities		40,059	-
Research and Development		-	1,500
Safety and WHS Expense		18,007	7,190
Staff Amenities		19,745	9,263
Subscriptions & Memberships		4,315	1,935
Superannuation Expense		157,613	133,279
Travelling & Accomodation		9,564	2,258
<b>Total Expenses</b>		<b>2,528,085</b>	<b>1,942,160</b>
<b>Profit Before Income Tax</b>		<b>1,495,235</b>	<b>1,569,439</b>
<b>Income Tax Expense</b>			
Income Tax Expense		365,348	327,737
<b>Net Profit</b>		<b>1,129,888</b>	<b>1,241,702</b>

The accompanying notes form part of these financial statements. This report is to be read in conjunction with the attached compilation report of RSM Australia Pty Ltd

# Statement of Changes in Equity

Harvestaire Pty Ltd

For the year ended 31 December 2022

	NOTES	2022	2021
<b>Retained Earnings After Appropriation</b>			
Retained Earnings at the beginning of the year		1,982,861	781,260
Net Profit After Income Tax		1,129,888	1,241,702
Dividends Paid		-	(40,000)
<b>Retained Earnings at the end of year</b>		<b>3,112,749</b>	<b>1,982,962</b>

The accompanying notes form part of these financial statements. This report is to be read in conjunction with the attached compilation report of RSM Australia Pty Ltd

# Balance Sheet

Harvestaire Pty Ltd  
As at 31 December 2022

	NOTES	31 DEC 2022	31 DEC 2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	1,107,586	314,908
Trade and Other Receivables	3	1,314,534	1,925,316
Inventories	4	5,380,859	2,300,221
Other Assets	5	216,495	-
<b>Total Current Assets</b>		<b>8,019,474</b>	<b>4,540,444</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6	21,206	37,112
Intangibles	7	2,227,429	2,227,429
<b>Total Non-Current Assets</b>		<b>2,248,635</b>	<b>2,264,541</b>
<b>Total Assets</b>		<b>10,268,109</b>	<b>6,804,985</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	8	5,757,591	3,826,690
Provisions	9	30,000	30,000
Tax Liabilities	10	285,157	235,647
Borrowings	11	140,219	-
<b>Total Current Liabilities</b>		<b>6,212,966</b>	<b>4,092,338</b>
<b>Non-Current Liabilities</b>			
Borrowings	11	942,295	729,585
<b>Total Non-Current Liabilities</b>		<b>942,295</b>	<b>729,585</b>
<b>Total Liabilities</b>		<b>7,155,261</b>	<b>4,821,922</b>
<b>Net Assets</b>		<b>3,112,849</b>	<b>1,983,062</b>
<b>Equity</b>			
Retained Earnings/(Accumulated Losses)	12	3,112,749	1,982,962
Share Capital	12	100	100
<b>Total Equity</b>		<b>3,112,849</b>	<b>1,983,062</b>

The accompanying notes form part of these financial statements. This report is to be read in conjunction with the attached compilation report of RSM Australia Pty Ltd

# Notes to the Financial Statements

Harvestaire Pty Ltd

For the year ended 31 December 2022

## 1. Statement of Significant Accounting Policies

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

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

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

### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted as at reporting date. As a subsidiary of an income tax consolidated group, the Current Tax Liability has been recorded by way of loan owing to the Head Company of the income tax consolidated group.

### Inventories

Inventories are measured at the lower of cost or market value. Any impairment is recognised in the profit and loss.

### Property, Plant and Equipment

Property, plant and equipment, including freehold land and buildings, are carried at cost unless otherwise stated. Depreciable assets are depreciated over their useful life to the company. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains or losses between the carrying amount and the disposal proceeds are taken to the profit or loss.

### Depreciation

Depreciation is generally claimed in accordance with taxation principles, with new assets eligible for Temporary Full Expensing of Depreciating Assets expensed in the year of purchase.

## **Intangibles Assets**

### **Goodwill**

Goodwill is recorded at cost unless otherwise indicated. Goodwill is not subject to amortisation. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

### **Patents and Trademarks**

Patents and trademarks are valued in the accounts at cost of acquisition and are amortised over their estimated useful life.

### **Other Intangibles Assets**

Intangible assets are stated at cost or at written down value where they are amortised over their anticipated useful lives.

### **Trade and Other Receivables**

Receivables are recognised at their transaction price, less any provision for impairment. Trade receivables are based on normal credit terms and do not bear interest. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **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.

### **Revenue and Other Income**

Sales revenue is recognised at the point of sale. Discounts are separately disclosed as a cost of sales.

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Trade and Other Payables**

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms and do not bear interest.

### **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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

### **Comparative Accounts**

There can be a restatement of comparatives through either a correction of error, a change in accounting policy or a reclassification.

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These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.



	2022	2021
<b>2. Cash and Cash Equivalents</b>		
<b>Bank Accounts</b>		
Cash at Bank - CBA	1,075,860	50,827
CBA Saver Account	-	230,000
<b>Total Bank Accounts</b>	<b>1,075,860</b>	<b>280,827</b>
<b>Other Cash Items</b>		
Adyen Deposit Account	31,726	32,922
Undeposited Funds	-	1,158
<b>Total Other Cash Items</b>	<b>31,726</b>	<b>34,080</b>
<b>Total Cash and Cash Equivalents</b>	<b>1,107,586</b>	<b>314,908</b>
	2022	2021

### 3. Trade and Other Receivables

<b>Current</b>		
Trade Receivables	1,107,169	860,718
<b>Prepayments</b>		
Prepaid Borrowing Expenses	620	-
Prepayments	161,936	47,628
<b>Total Prepayments</b>	<b>162,556</b>	<b>47,628</b>
GRNI (Goods Received Not Invoiced)	33,700	1,007,986
Purchases Returned Not Credited	11,109	8,984
<b>Total Current</b>	<b>1,314,534</b>	<b>1,925,316</b>
<b>Total Trade and Other Receivables</b>	<b>1,314,534</b>	<b>1,925,316</b>
	2022	2021

### 4. Inventory

<b>Inventories</b>		
Stock on Hand	5,266,941	2,275,970
Unallocated Landed Cost	113,918	24,251
<b>Total Inventories</b>	<b>5,380,859</b>	<b>2,300,221</b>
<b>Total Inventory</b>	<b>5,380,859</b>	<b>2,300,221</b>

These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

	2022	2021
<b>5. Other Assets</b>		
<b>Current</b>		
Lease Deposits	80,000	-
Plant Deposits	136,495	-
<b>Total Current</b>	<b>216,495</b>	<b>-</b>
<b>Total Other Assets</b>	<b>216,495</b>	<b>-</b>
	2022	2021

## 6. Property, Plant and Equipment

<b>Plant and Equipment</b>		
Plant and Equipment at Cost	89,102	89,102
Accumulated Depreciation of Plant and Equipment	(67,895)	(51,991)
<b>Total Plant and Equipment</b>	<b>21,206</b>	<b>37,112</b>
<b>Total Property, Plant and Equipment</b>	<b>21,206</b>	<b>37,112</b>
	2022	2021

## 7. Intangibles

<b>Goodwill</b>		
Goodwill	2,226,795	2,226,795
<b>Total Goodwill</b>	<b>2,226,795</b>	<b>2,226,795</b>
<b>Other Intangible Assets</b>		
Formation Expenses	634	634
<b>Total Other Intangible Assets</b>	<b>634</b>	<b>634</b>
<b>Total Intangibles</b>	<b>2,227,429</b>	<b>2,227,429</b>

These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

	2022	2021
<b>8. Trade and Other Payables</b>		
<b>Current</b>		
Trade Payables	1,080,027	1,153,454
Other Creditors	183,815	2,016
Credit Card - DD	76	-
Credit Card - DV	1,277	-
Expense Accrual	57,852	214,175
Inter-Company Liability - Auvergne Capital	1,979,048	1,959,048
PAYG Withheld	109,210	115,430
Superannuation Payable	8,440	24,791
Trade Finance - CBA	2,337,845	357,777
<b>Total Current</b>	<b>5,757,591</b>	<b>3,826,690</b>
<b>Total Trade and Other Payables</b>	<b>5,757,591</b>	<b>3,826,690</b>
	2022	2021
<b>9. Provisions</b>		
Bad Debt & RMA Reserve	30,000	30,000
<b>Total Provisions</b>	<b>30,000</b>	<b>30,000</b>

These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

	2022	2021
<b>10. Tax Liabilities</b>		
GST Account	285,157	235,247
GST Adjustments	-	400
<b>Total Tax Liabilities</b>	<b>285,157</b>	<b>235,647</b>
	2022	2021
<b>11. Borrowings</b>		
<b>Current</b>		
<b>Secured</b>		
<b>BOQ Insurance Funding</b>		
BOQ Insurance Funding	133,084	-
BOQ Insurance Funding (Less: Unexpired Liability)	(4,662)	-
<b>Total BOQ Insurance Funding</b>	<b>128,422</b>	<b>-</b>
<b>Hire Purchase - Hilux</b>		
Hire Purchase Liability - Hilux	14,033	-
Hire Purchase Liability - Hilux (Less: Unexpired Liability)	(2,237)	-
<b>Total Hire Purchase - Hilux</b>	<b>11,797</b>	<b>-</b>
<b>Total Secured</b>	<b>140,219</b>	<b>-</b>
<b>Total Current</b>	<b>140,219</b>	<b>-</b>
<b>Non-Current</b>		
<b>Secured</b>		
<b>Hire Purchase - Hilux</b>		
Hire Purchase Liability - Hilux	45,609	-
Hire Purchase Liability - Hilux (Less: Unexpired Liability)	(3,314)	-
<b>Total Hire Purchase - Hilux</b>	<b>42,295</b>	<b>-</b>
<b>Bank Loans</b>		
Loans - CBA	20,000	29,585
<b>Total Bank Loans</b>	<b>20,000</b>	<b>29,585</b>
<b>Total Secured</b>	<b>62,295</b>	<b>29,585</b>
<b>Unsecured</b>		
Loans - FP LOAN - IVANHOE SF	200,000	200,000
Loans - FP LOAN - VICAM PTY LTD	500,000	500,000
Loans - Hard Fought Rewards	180,000	-
<b>Total Unsecured</b>	<b>880,000</b>	<b>700,000</b>
<b>Total Non-Current</b>	<b>942,295</b>	<b>729,585</b>
<b>Total Borrowings</b>	<b>1,082,513</b>	<b>729,585</b>

These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

	2022	2021
<b>12. Equity</b>		
<b>Issued Capital</b>		
Capital	100	100
<b>Total Issued Capital</b>	<b>100</b>	<b>100</b>
<b>Retained Earnings</b>		
Retained Earnings	1,982,861	781,260
Current Year Earnings	1,129,888	1,241,702
Declared Final Dividend	-	(40,000)
<b>Total Retained Earnings</b>	<b>3,112,749</b>	<b>1,982,962</b>
<b>Total Equity</b>	<b>3,112,849</b>	<b>1,983,062</b>

These notes should be read in conjunction with the attached compilation report of RSM Australia Pty Ltd.

# Directors' Declaration

Harvestaire Pty Ltd


For the year ended 31 December 2022

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

The directors of the company declares that:

1. The financial statements and notes present fairly the company's financial position as at 31 December 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the director's 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 directors.

  
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**Director: Keith Smith**

Date: 8/3/23

# Compilation Report

**Harvestaire Pty Ltd**

**For the year ended 31 December 2022**

We have compiled the accompanying special purpose financial statements of Harvestaire Pty Ltd, which comprise the balance sheet as at 31 December 2022, profit & loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in the notes to the accounts.

## **The Responsibility of the Directors**

The directors of Harvestaire Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

## **Our Responsibility**

On the basis of information provided by the director(s), we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied professional expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

## **Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled for the benefit of the director who is responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility to any other person for the contents of the special purpose financial statements.



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Rami Brass

Director

RSM Australia Pty Ltd

Level 32, Exchange Tower, 2 The Esplanade WA 6000

Date: 8/3/23