

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
NOTE 13: SHARE CAPITAL (Cont'd)		
<i>Movement in ordinary share capital:</i>		
Balance at beginning of the year	6,065,208	5,505,053
Shares issued	810,197	520,606
Share issue in lieu of service payments	571,774	66,849
Share capital raising cost	(44,035)	(27,300)
Balance at end of the year	<u>7,403,144</u>	<u>6,065,208</u>

a. Ordinary shares

Fully paid ordinary shares

The shares are eligible for dividends. Ordinary shareholders 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.

There is no par value and no authorised capital.

b. Capital management

Management controls the capital of the Company to ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to manage the capital of the Company since the prior year.

NOTE 14: CAPITAL COMMITMENTS

Capital Expenditure Commitments

The Company did not have any capital expenditure commitments as at the year end.

NOTE 15: CONTINGENT LIABILITIES

During 2015, proceedings were brought against the Company in the Supreme Court of Queensland by Mr Hajime Masaki and Bagasse Co Ltd seeking the following relief:

- (i) amendment of the register of members of the Company to show that Bagasse Co, Ltd is the holder of 8,960,000 fully paid shares in the Company;
- (ii) reinstatement of Mr Masaki as an employee of the Company and payment to him of all amounts due to him in the nature of remuneration and reimbursement of expenses (which are unspecified);
- (iii) amendment of the Company's financial statements for the year ended 30 June 2014 to record an alleged liability of the Company to Bagasse Co Ltd of \$461,189.29; and
- (iv) payment by the Company of \$100,000 plus interest (in an unspecified amount) to Mr Masaki to reimburse him for funds he alleges he paid on behalf of the Company to Ms Matsumoto.

KFSU LTD
A.B.N 36 119 778 326

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents		6,762	22,128
Trade and other receivables	5	26,684	74,720
Inventories		41,074	90,701
Tax receivable	6	541,904	687,911
TOTAL CURRENT ASSETS		616,424	875,460
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,192,198	4,551,171
Right-of-Use Assets	8a	218,633	315,010
Intangible Assets	9	79,746	66,455
TOTAL NON-CURRENT ASSETS		4,490,577	4,932,636
TOTAL ASSETS		5,107,001	5,808,096
CURRENT LIABILITIES			
Trade and other payables	10	1,146,406	1,376,968
Lease Liabilities	8b	63,880	77,687
Borrowings	11	2,270,784	1,937,367
Provisions	12	55,910	65,231
TOTAL CURRENT LIABILITIES		3,536,980	3,457,253
NON-CURRENT LIABILITIES			
Lease Liabilities	8b	165,843	220,332
Borrowings	11	4,006	609,918
TOTAL NON-CURRENT LIABILITIES		169,849	830,250
TOTAL LIABILITIES		3,706,829	4,287,503
NET ASSETS		1,400,172	1,520,593
EQUITY			
Share capital	13	7,403,144	6,065,208
Accumulated losses		(6,002,972)	(4,544,615)
TOTAL EQUITY		1,400,172	1,520,593

$$\text{Share Value } \frac{1,400,172}{7,403,144} = \$0.19 / \text{share}$$

$$\$0.19 \times 285,120 = \$54,173 \checkmark$$

The accompanying notes form part of these financial statements