

KFSU LTD
A.B.N 36 119 778 326

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
NOTE 13: SHARE CAPITAL		
a. Ordinary shares		
Issued and fully paid ordinary shares	6,065,208	5,505,053
	2018 Number of shares	2017 Number of shares
<i>Movement in number of ordinary shares:</i>		
Balance at beginning of the year	63,907,365	319,440,957
Shares issued	6,365,333	312,500
Share issue in lieu of service payments	532,074	1,029,963
Shares cancelled	-	(6,612,484)
Share consolidation 5 : 1	-	(250,263,571)
Balance at end of the year	70,804,772	63,907,365
	2018 \$	2017 \$
<i>Movement in ordinary share capital:</i>		
Balance at beginning of the year	5,505,053	5,786,556
Shares issued	520,606	30,000
Share issue in lieu of service payments	66,849	85,247
Shares cancelled	-	(396,750)
Share capital raising cost	(27,300)	-
Balance at end of the year	6,065,208	5,505,053

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.

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.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents		22,128	31,299
Trade and other receivables	5	74,720	76,088
Inventories		90,701	52,000
Tax receivable	6	687,911	587,539
TOTAL CURRENT ASSETS		<u>875,460</u>	<u>746,926</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,551,171	4,891,520
Right-of-Use Assets	8a	315,010	-
Intangible Assets	9	66,455	65,449
TOTAL NON-CURRENT ASSETS		<u>4,932,636</u>	<u>4,956,969</u>
TOTAL ASSETS		<u>5,808,096</u>	<u>5,703,895</u>
CURRENT LIABILITIES			
Trade and other payables	10	1,376,968	1,631,194
Lease Liabilities	8b	77,687	-
Borrowings	11	1,918,468	1,309,562
Provisions	12	65,231	22,253
TOTAL CURRENT LIABILITIES		<u>3,438,354</u>	<u>2,963,009</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	8b	220,332	-
Borrowings	11	628,818	531,676
TOTAL NON-CURRENT LIABILITIES		<u>849,150</u>	<u>531,676</u>
TOTAL LIABILITIES		<u>4,287,504</u>	<u>3,494,685</u>
NET ASSETS		<u>1,520,592</u>	<u>2,209,210</u>
EQUITY			
Share capital	13	6,065,208	5,505,053
Accumulated losses		(4,544,616)	(3,295,843)
TOTAL EQUITY		<u>1,520,592</u>	<u>2,209,210</u>

$$\text{Share Value} = \frac{1520592}{6065208} = \$0.25 / \text{Share}$$

$$285,120 \times \$0.25 = \$71,280$$

The accompanying notes form part of these financial statements