



# RPM Automotive Group

Financial Statements

For the Six Months Ended 31 December 2018

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RPM Automotive Group  
Financial Statements  
For the 6 Months ended 31 December 2018

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RPM Automotive Group  
Trading Statement  
For the Six Months ended 31 December 2018

	2019 \$	2018 \$
Income		
Sales	16,437,310	33,415,070
Less Cost of Sales		
Opening Stock	-	2,400,241
Opening Raw Materials	-	222,784
Purchases	11,021,115	22,399,482
Closing Stock	-	(2,642,330)
Closing Raw Materials	-	(352,801)
	<u>11,021,115</u>	<u>22,027,376</u>
Less Direct Expenses		
Depreciation	-	28,258
Direct Wages	536,684	903,270
Freight & Cartage	304,483	603,660
Light & Power	6,469	12,898
Repairs & Maintenance	7,552	12,199
Sundry Expenses/Manufacturing Costs	63,259	116,382
Superannuation	27,017	41,175
	<u>945,464</u>	<u>1,717,842</u>
Gross Profit	<u>4,470,731</u>	<u>9,669,852</u>
Gross Profit Margin	27.2%	28.9%

*The accompanying notes form part of these financial statements.*

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RPM Automotive Group  
 Profit and Loss Statement  
 For the Six Months ended 31 December 2018

	Note	2019 \$	2018 \$
Income	5		
Subscriptions Received		89,939	-
Discounts Received		-	382,757
Interest Received		6,657	672
Rebates		454,864	51,172
Recoveries		84,167	99,212
Other Revenue		7,554	178,067
Government Subsidies		-	8,888
Proceeds on Sale of Non-current Assets		15,191	-
Gross Profit from Trading		4,470,731	9,669,852
Total Income	2	5,129,103	10,390,620
Expenditure	6		
Foreign Currency Exchanges		1,706	103,228
Loss on Sale of Non-current Assets		-	39,615
Accountancy Fees		41,214	48,638
Administration Costs		77,442	93,016
Advertising		85,365	221,610
Amortisation		1,353	3,006
Bad Debts Written Off		101	53,298
Bank Charges		81,890	120,496
Borrowing Costs		-	98,938
Cleaning		5,549	11,570
Commission Paid		-	7,647
Consultancy Fees		19,039	82,043
Contract Work		9,220	28,139
Conference Expenses		2,500	-
Computer Expense		50,949	70,137
Customer Amenities		718	3,009
Debt Collection		-	266
Delivery Costs		614	-
Depreciation		23,782	159,997
Directors' Fees		12,001	-
Discounts Allowed		6,837	13,429
Donations		520	1,586
Electricity		36,812	80,369
Employees' Amenities		19,018	41,009
Entertainment Expenses		2,699	4,407
Fees & Permits		-	8,649
Filing Fees		329	2,699
Freight & Cartage		145,106	274,227
Gas		3,204	2,652
Hire of Plant & Equipment		3,392	6,884
Hire Purchase Charges		1,791	9,071
Holiday Pay		7,341	158,478
Insurance		148,800	283,103
Internet Expenses		2,624	3,143
Interest Paid		136,753	225,288
Leasing Charges		-	23,342
Legal Costs		52,799	57,159
Long Service Leave		3,456	26,960
Low value Assets		-	4,682
Medical Supplies		118	1,343
Motor Vehicle Expenses		171,721	406,985

The accompanying notes form part of these financial statements.

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RPM Automotive Group  
Profit and Loss Statement  
For the Six Months ended 31 December 2018

	Note	2019 \$	2018 \$
Payroll Tax		23,049	40,467
Penalties and Fines		1,232	11,116
Plans & Permits		-	889
Postage		25,748	39,649
Printing & Stationery		17,521	39,928
Protective Clothing		630	1,702
Rates & Taxes		19,608	121,386
Registration Fees		1,309	2,104
Rent		520,921	893,777
Repairs & Maintenance		36,567	67,901
Research & Development Costs		4,306	9,430
Salaries & Wages		1,791,034	3,755,016
Security Costs		6,136	12,082
Staff Training & Welfare		235	3,512
Subscriptions		19,959	23,059
Sundry Expenses		6,648	840
Superannuation Contributions		189,521	421,393
Telephone		56,030	127,954
Tool Replacement		6,057	7,300
Travelling Expenses		63,283	66,313
Uniforms		560	2,160
Waste Disposal		24,938	47,537
Workshop Expenses		(12,069)	3,170
Wrapping & Packing		11,672	6,309
Total Expenditure	3	<u>3,971,658</u>	<u>8,485,112</u>
Profit before Income Tax		<u>1,157,445</u>	<u>1,905,508</u>
Income Tax Expense		347,234	507,878
Profit after Income Tax		<u><u>810,211</u></u>	<u><u>1,397,630</u></u>

*The accompanying notes form part of these financial statements.*



RPM Automotive Group  
Balance Sheet  
As at 31 December 2018

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9	731,072	795,817
Trade and Other Receivables	10	4,200,779	4,296,031
Inventories	11	5,416,439	5,071,123
Financial Assets		131,021	-
Other Current Assets	13	79,638	24,430
<b>Total Current Assets</b>		<b>10,558,949</b>	<b>10,187,401</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	10	82,804	82,804
Property, Plant and Equipment	14	1,378,356	1,102,072
Intangible Assets	15	1,692,311	1,426,893
<b>Total Non-Current Assets</b>		<b>3,153,471</b>	<b>2,611,769</b>
<b>Total Assets</b>		<b>13,712,420</b>	<b>12,799,170</b>
<b>Current Liabilities</b>			
Trade and Other Payables	16	5,331,630	4,225,925
Current Tax Liabilities	12	1,285,879	735,449
Financial Liabilities	17	2,073,832	3,283,051
Short Term Provisions	18	614,114	517,711
<b>Total Current Liabilities</b>		<b>9,305,455</b>	<b>8,762,136</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	17	1,595,852	1,911,132
<b>Total Liabilities</b>		<b>10,901,307</b>	<b>10,673,268</b>
<b>Net Assets</b>		<b>2,811,113</b>	<b>2,125,902</b>
<b>Equity</b>			
Issued Capital		428	428
Reserves	19	(85,484)	(85,484)
Retained Profits	20	2,896,169	2,210,958
<b>Total Equity</b>		<b>2,811,113</b>	<b>2,125,902</b>

The accompanying notes form part of these financial statements.

RPM Automotive Group  
Notes to the Financial Statements  
For the Six Months ended 31 December 2018

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1 Significant Accounting Policies

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Cash and Cash Equivalents

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

(b) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(c) Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

RPM Automotive Group  
Notes to the Financial Statements  
For the Six Months ended 31 December 2018

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(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Accounting Policy note - Impairment).

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

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

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by RPM Automotive Group. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

Standard depreciation rates used for each class of depreciable asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying value. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transactions

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on 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 statement of comprehensive income.



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- (f) Finance Costs  
Finance 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 finance costs are recognised in profit or loss in the period in which they are incurred.

- (g) Borrowings  
Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

- (h) Intangibles  
Goodwill is carried at cost less accumulated impairment losses.

The value of goodwill recognised on acquisition of each subsidiary in which the group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests are determined using valuation techniques which make the maximum use of the market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates.

Goodwill is tested annually for impairment and is allocated to the group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gain and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

- (i) Inventories  
Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

- (j) Financial Instruments  
Initial Recognition and Measurement  
Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the group commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- The amount at which the financial asset or financial liability is measured at initial recognition;
- Less principal repayments;
- Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- Less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying value of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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

#### Financial Assets at Fair Value through Profit and Loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

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Notes to the Financial Statements  
For the Six Months ended 31 December 2018

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(k) Financial Guarantees

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

(l) Revenue and Other Income

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received that remain unpaid.

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Notes to the Financial Statements  
For the Six Months ended 31 December 2018

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- (n) 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 (ATO).

Comparative Figures

The comparative results presented are for the 12 months period ended 30th June 2017 and exclude the results of RW Tyres Pty Ltd.

Where appropriate, comparative figures have been adjusted to confirm to changes in presentation for the current financial period.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the entities. A list of the entities is provided in the Notes.

The assets, liabilities and results of all entities are fully consolidated into the financial statements of the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of entities have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

- (o) Comparative Figures  
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current reporting period.

Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

- (p) Critical Accounting Estimates and Judgments  
The directors evaluate estimates and judgments incorporated into the financial statements 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 externally and within the group.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

- (q) New Accounting Standards for Application in Future Periods  
The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the group has decided not to early adopt. The group does not anticipate early adoption of any of the reporting requirements would have any material effect on the group's financial statements.



RPM Automotive Group  
Notes to the Financial Statements  
For the Six Months ended 31 December 2018

2	Revenue	2019 \$	2018 \$
	Sales Revenue		
	Sale of Goods	16,437,310	33,415,070
	Rendering of Services	89,939	-
		<u>16,527,249</u>	<u>33,415,070</u>
	Other Income		
	Discounts Received	-	382,757
	Interest Received	6,657	672
	Rebates	454,864	51,172
	Recoveries	84,167	99,212
	Other Revenue	7,554	178,067
	Government Subsidies	-	8,888
	Proceeds on Sale of Non-current Assets	15,191	-
		<u>568,433</u>	<u>720,768</u>
		<u><u>17,095,682</u></u>	<u><u>34,135,838</u></u>
3	Expenses	2019 \$	2018 \$
	Decrease in Inventories/Finished Goods/Wip	-	(372,106)
	Raw Materials/Purchases/Consumables	11,021,115	22,399,482
	Employee Benefits Expense	1,980,555	4,176,409
	Depreciation and Amortisation	23,782	159,997
	Advertising	85,365	221,610
	Bank Charges	81,890	120,496
	Freight & Cartage	145,106	274,227
	Insurance	148,800	283,103
	Motor Vehicle Expenses	171,721	406,985
	Postage	25,748	39,649
	Printing & Stationery	17,521	39,928
	Rates & Taxes	19,608	121,386
	Rent	520,921	893,777
	Repairs & Maintenance	36,567	67,901
	Telephone	56,030	127,954
	Other Expenses	1,465,402	2,942,300
		<u>15,800,131</u>	<u>31,903,098</u>
4	Finance Costs	2019 \$	2018 \$
	Borrowing Costs	-	98,938
	<i>Interest Paid</i>		
	Interest Paid	-	225,288
	- Related Corporations	4,922	-
	- Other Persons/Corporations	131,831	-
	Amortisation - Borrowing Costs	1,353	-
		<u>138,106</u>	<u>324,226</u>

The accompanying notes form part of these financial statements.

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RPM Automotive Group  
Notes to the Financial Statements  
For the Six Months ended 31 December 2018

5	Income Details	2019 \$	2018 \$
	Income		
	<i>Interest Received</i>		
	Interest Received	-	672
	- Other Corporations	6,657	-
		<u>6,657</u>	<u>672</u>
	<i>Recoveries</i>		
	Recoveries	84,167	99,212
	<i>Other Revenue</i>		
	Other Revenue	-	178,067
	- Franchise Fees	7,554	-
		<u>7,554</u>	<u>178,067</u>
	<i>Government Subsidies</i>		
	Government Subsidies	-	8,888
	<i>Foreign Currency Exchanges</i>		
	Foreign Currency Exchanges	-	(103,228)
	- Foreign Currency Exchange Gain	(1,706)	-
		<u>(1,706)</u>	<u>(103,228)</u>
6	Expenses Details	2019 \$	2018 \$
	Overhead Expenses		
	<i>Amortisation</i>		
	Amortisation	-	3,006
	- Borrowing Costs	1,353	-
		<u>1,353</u>	<u>3,006</u>
	<i>Interest Paid</i>		
	Interest Paid	-	225,288
	- Related Corporations	4,922	-
	- Other Persons/Corporations	131,831	-
		<u>136,753</u>	<u>225,288</u>
	<i>Leasing Charges</i>		
	Leasing Charges	-	23,342
	<i>Motor Vehicle Expenses</i>		
	Motor Vehicle Expenses	171,721	406,985
	Total Overhead Expenses	<u>309,827</u>	<u>658,621</u>
	Other Expenses		
	<i>Foreign Currency Exchanges</i>		
	Foreign Currency Exchanges	1,706	103,228
	Total Expenses	<u><u>311,533</u></u>	<u><u>761,849</u></u>

The accompanying notes form part of these financial statements.



RPM Automotive Group  
Notes to the Financial Statements  
For the Six Months ended 31 December 2018

7	Profit For The Year	2019 \$	2018 \$
	Profit before income tax expense from continuing operations includes the following specific expenses:		
	Charging as Expense :		
	Cost of Goods Sold	11,021,115	22,027,376
	Finance Costs	138,106	324,226
	Manufacturing Costs	945,464	1,717,842
	Movements in Provisions :		
	<i>Depreciation :</i>		
	- Trading Account	-	28,258
	- Property, Plant & Equipment	23,782	159,997
	<i>Other Provisions :</i>		
	Net Expenses Resulting from Movement in Provisions	34,579	373,693
	Bad & Doubtful Debts :		
	- Bad debts written off	101	53,298
	<i>Net Loss on Disposal of Non-Current Assets :</i>		
	- Property, plant & equipment	-	39,615
	Foreign Currency Translation Losses	1,706	-
	Research and Development Costs	4,306	9,430
	Crediting as Income:		
	<i>Interest from :</i>		
	Interest Received	-	672
	- Other Corporations	6,657	-
	Total Interest Revenue	6,657	672
8	Dividends Proposed or Paid	2019 \$	2018 \$
	Dividends or Distributions paid to members during the reporting period:		
	Dividend Paid	125,000	125,000

The accompanying notes form part of these financial statements.



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9	Cash and Cash Equivalents	2019 \$	2018 \$
	Cash and Cash Equivalents		
	Cash on Hand	775	906
	Cash in transit	8,875	26,291
	Deposits at Call	2,606	-
	Petty Cash Imprest	15,651	400
	Cash at Bank	440,008	464,376
	Cash at Bank	78,366	70,691
	Cash at Bank	117,361	200,933
	Cash at Bank	10,798	798
	Cash at Bank	12,353	25,128
	Cash at Bank	100	100
	Cash at Bank	44,179	6,194
	Total Cash and Cash Equivalents	<u>731,072</u>	<u>795,817</u>
	Cash Reconciliation		
	Cash and Cash Equivalents	731,072	795,817
	Bank Overdrafts	(316,213)	(447,726)
		<u>414,859</u>	<u>348,091</u>
10	Trade and Other Receivables	2019 \$	2018 \$
	Current		
	Sundry Debtors	11,436	26,421
	Trade Debtors	4,205,922	4,290,586
	Less Provision for Doubtful Debts	(66,282)	(69,482)
	Other Debtors	49,703	48,506
	Current Assets - Investments	131,021	-
		<u>4,331,800</u>	<u>4,296,031</u>
	Non-Current		
	Deposits	82,804	82,804
		<u>82,804</u>	<u>82,804</u>
	Total Trade and Other Receivables	<u>4,414,604</u>	<u>4,378,835</u>
11	Inventories	2019 \$	2018 \$
	Current		
	Stock on Hand	5,091,098	4,718,322
	Raw Materials	325,341	352,801
		<u>5,416,439</u>	<u>5,071,123</u>
	Total Inventories	<u>5,416,439</u>	<u>5,071,123</u>

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RPM Automotive Group  
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12	Tax Assets and Liabilities	2019 \$	2018 \$
	Assets		
	Payroll Tax	31,945	-
	Liabilities		
	Current Tax Liability	745,446	735,449
	PAYG Withholding Payable	572,378	-
		<u>1,317,824</u>	<u>735,449</u>
	Net Tax Liabilities	<u>(1,285,879)</u>	<u>(735,449)</u>
13	Other Assets	2019 \$	2018 \$
	Current		
	Prepayments	74,090	17,528
	Prepaid Borrowing Expenses	13,531	13,531
	Less Amortisation	(7,983)	(6,629)
		<u>5,548</u>	<u>6,902</u>
		<u>79,638</u>	<u>24,430</u>
	Total Other Assets	<u>79,638</u>	<u>24,430</u>
14	Property, Plant and Equipment	2019 \$	2018 \$
	Property Improvements	267,834	267,834
	Less Accumulated Depreciation & Impairment	(69,572)	(67,062)
		<u>198,262</u>	<u>200,772</u>
	Total Land and Buildings	<u>198,262</u>	<u>200,772</u>
	Plant & Equipment	1,855,775	1,659,160
	Less: Accumulated Depreciation	(1,172,080)	(1,190,868)
		<u>683,695</u>	<u>468,292</u>
	Motor Vehicles	520,232	498,073
	Less: Accumulated Depreciation	(301,108)	(314,801)
		<u>219,124</u>	<u>183,272</u>
	Office Furniture & Equipment	396,477	364,259
	Less: Accumulated Depreciation	(261,683)	(254,402)
		<u>134,794</u>	<u>109,857</u>
	Low Value Pool	142,481	139,879
	Total Plant and Equipment	<u>1,180,094</u>	<u>901,300</u>
	Total Property, Plant and Equipment	<u>1,378,356</u>	<u>1,102,072</u>

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15	Intangible Assets	2019 \$	2018 \$
	Formation Expenses	135,867	73,865
	Goodwill	1,401,143	1,197,727
	Patents & Trademarks	155,301	155,301
	Total Intangible Assets	<u>1,692,311</u>	<u>1,426,893</u>
16	Trade and Other Payables	2019 \$	2018 \$
	Current		
	Sundry Creditors	53,154	42,822
	Trade Creditors	4,711,201	3,761,952
	Other Creditors	(9,000)	220,195
	Customer Deposits	7,604	7,604
	Provision for GST	568,671	193,352
		<u>5,331,630</u>	<u>4,225,925</u>
	Total Trade and Other Payables	<u>5,331,630</u>	<u>4,225,925</u>
17	Financial Liabilities	2019 \$	2018 \$
	Current		
	Cash at Bank	279,036	447,726
	<i>Credit Cards</i>		
	Credit Cards	37,177	-
	<i>Related Party Loans</i>		
	Related Party Loans	1,105,055	2,232,194
	Hire Purchase		
	Hire Purchase Liability	6,208	43,266
	Less Unexpired Charges	1,140	2,931
		<u>5,068</u>	<u>40,335</u>
	Loans - Bank	647,496	562,796
	Total Current	<u>2,073,832</u>	<u>3,283,051</u>
	Non-current		
	Hire Purchase		
	Hire Purchase Liability	121,343	136,623
	Less Unexpired Charges	25,491	25,491
		<u>95,852</u>	<u>111,132</u>
	Loans - Bank	1,500,000	1,800,000
	Total Non-current	<u>1,595,852</u>	<u>1,911,132</u>
	Total Financial Liabilities	<u>3,669,684</u>	<u>5,194,183</u>

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RPM Automotive Group  
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18	Provisions	2019 \$	2018 \$
	Current		
	<i>Other Provision</i>		
	Opening Balance for the year	8,598	-
	Provisions used	1,247	-
	<i>Provision for Holiday Pay</i>		
	Opening Balance for the year	303,916	180,816
	Provisions added	71,782	180,441
	<i>Provision for Long Service Leave</i>		
	Opening Balance for the year	134,715	104,478
	Provisions added	41,737	51,976
	Provisions used	(436)	-
	<i>Superannuation Contributions Surcharge</i>		
	Opening Balance for the year	125,501	-
	Provisions added	57,395	-
	Provisions used	(130,341)	-
		<u>614,114</u>	<u>517,711</u>
	Total Provisions	<u>614,114</u>	<u>517,711</u>
19	Reserves	2019 \$	2018 \$
	General Reserve		
	Opening Balance	(85,484)	(3,648,332)
	Movements	-	3,562,848
	Closing Balance	<u>(85,484)</u>	<u>(85,484)</u>
	Total Reserves	<u>(85,484)</u>	<u>(85,484)</u>
20	Retained Profits / Accumulated Losses	2019 \$	2018 \$
	Retained Profits at Beginning of Financial Year	2,210,958	938,328
	Add		
	Net profit attributable to members	1,157,445	1,905,508
	Less		
	Income Tax Expense	347,234	507,878
	Dividend Paid	125,000	125,000
	Retained Profits at 31 December 2018	<u>2,896,169</u>	<u>2,210,958</u>

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21	Remuneration and Retirement Benefits	2019 \$	2018 \$
	Remuneration paid or payable to all directors of RPM Automotive Group and each entity associated with the company :		
	Directors' Fees	12,001	-
	Directors who held office :		
	Lawrence Warren Jaffe		
	Clive Gary Finkelstein	-	-
	Full particulars have not been disclosed in the notes as the directors believe this would be unreasonable.		
22	Company Details		
	The principal place of business is:		
	RPM Automotive Group		
	592 Whitehorse Road, Mitcham Victoria 3132		
	The principal activities of the company include:		
	Tyre wholesale and retail		
	Specialised automotive accessory manufacture		
	Motor racing accessory suppliers		

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