

# **Bingo Industries Pty Ltd (Formerly Bingo Group Holdings Pty Ltd) and Controlled Entities**

ABN 14 162 984 821

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CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Directors' Report

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Your directors present their report on Bingo Industries Pty Ltd and its controlled entities ('the Group') for the financial year ended 30 June 2015.

### Director

The name of the directors in office at any time during, or since the end of, the year are:

- Tony Tartak (resigned 1 July 2015)
- Daniel Tartak (appointed 1 July 2015)
- Daniel Girgis (appointed 1 July 2015)

### Review of Operations

The net profit after tax of the Group for the financial year ended 30 June 2015 was \$15,096,180 (2014: \$14,824,262).

The company's operations during the year performed as expected in the opinion of the directors.

### Dividends

During the year a dividend of \$50,000 (2014: \$Nil) was declared and paid.

### Principal Activities

The principal activities of the Group during the financial year were to provide waste management solutions for domestic and commercial business and operate state of the art recycling centres.

No significant change in the nature of these activities occurred during the financial year.

### Significant Changes in the State of Affairs

There were no significant changes in the Group's state of affairs during the financial year.

### Matters subsequent to the end of the financial year

On 13<sup>th</sup> October 2015, the Group refinanced its banking facilities on improved terms and to provide more capacity going forward. The Group opened a state of the art recycling centre at Auburn in Sydney in October 2015. The Group also completed several acquisitions including a well located recycling centre in Sydney.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Directors' Report (continued)

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### Environmental regulation

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

### Shares under option

There were no unissued ordinary shares of Bingo Industries Pty Ltd and controlled entities under option outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of Bingo Industries Pty Ltd and controlled entities issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

### 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 year, 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 year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

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

### 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 page 4.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



**Daniel Tartak**  
Director

3rd December 2015  
Sydney

The Board of Directors  
Bingo Industries Pty Ltd  
Advisory Suite 28, 1-5 Jacobs Street  
Bankstown NSW 2200

3 December 2015

Dear Board Members

BINGO INDUSTRIES PTY LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Bingo Industries Pty Ltd (formerly known as Bingo Group Holdings Pty Ltd).

As lead audit partner for the audit of the financial statements of Bingo Industries Pty Ltd for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is made in respect of Bingo Industries Pty Ltd and the entities controlled during the year.

Yours sincerely



**CROWE HORWATH SYDNEY**



**JOHN HAYDON**  
**PARTNER**

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Revenue	2	101,272,396	69,821,440
Other Revenue	3	1,253,976	811,060
<b>Total Revenue</b>		<b>102,526,372</b>	<b>70,632,500</b>
Raw materials and consumables used		1,222,316	452,588
Tipping costs		39,126,128	23,623,797
Transportation costs		8,970,299	3,634,080
Employee expenses		18,870,354	11,413,145
Depreciation expenses		5,477,565	651,651
Lease expenses		-	2,091,404
Finance costs		955,366	9,893
Other expenses	4	6,315,743	7,571,902
<b>Profit before income tax</b>		<b>21,588,601</b>	<b>21,184,040</b>
Income tax expense	6	6,492,421	6,359,778
<b>Profit for the year from ordinary activities after income tax expense</b>		<b>15,096,180</b>	<b>14,824,262</b>
<b>Total comprehensive income for the year</b>		<b>15,096,180</b>	<b>14,824,262</b>

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

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Statement of financial position for the year ended 30 June 2015

		Consolidated	
	Note	2015	2014
		\$	\$
<b>ASSETS</b>			
<i>CURRENT ASSETS</i>			
Cash and cash equivalents	7	3,605,662	3,992,692
Trade and other receivables	8	20,059,963	15,200,804
Financial assets		500,239	-
Inventories	9	1,539,723	278,044
Other assets	11	2,709,212	3,000,000
<i>TOTAL CURRENT ASSETS</i>		<b>28,414,799</b>	<b>22,471,540</b>
<i>NON-CURRENT ASSETS</i>			
Other assets	11	-	179,739
Property, plant and equipment	12	34,747,040	19,088,299
Intangible assets	10	17,418,242	150,000
<i>TOTAL NON-CURRENT ASSETS</i>		<b>52,165,282</b>	<b>19,418,038</b>
<b>TOTAL ASSETS</b>		<b>80,580,081</b>	<b>41,889,578</b>
<b>LIABILITIES</b>			
<i>CURRENT LIABILITIES</i>			
Trade and other payables	13	17,262,836	10,560,506
Borrowings	15	4,926,577	1,054,067
Loans from related parties	14	3,601,500	3,027,342
Income tax payable		6,239,708	5,133,863
Provisions	16	603,283	467,228
<i>TOTAL CURRENT LIABILITIES</i>		<b>32,633,904</b>	<b>20,243,006</b>
<i>NON-CURRENT LIABILITIES</i>			
Borrowings	15	15,142,129	1,371,217
Loans from related parties	14	1,487,161	4,000,000
Deferred tax liabilities		1,171,941	1,225,915
Provisions	16	263,504	214,178
<i>TOTAL NON-CURRENT LIABILITIES</i>		<b>18,064,735</b>	<b>6,811,310</b>
<b>TOTAL LIABILITIES</b>		<b>50,698,639</b>	<b>27,054,316</b>
<b>NET ASSETS</b>		<b>29,881,442</b>	<b>14,835,262</b>
<b>EQUITY</b>			
Issued Capital	17	11,000	11,000
Retained profits		29,870,442	14,824,262
<b>TOTAL EQUITY</b>		<b>29,881,442</b>	<b>14,835,262</b>

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

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Statement of changes in equity for the year ended 30 June 2015

	Note	Issued Capital \$	Consolidated Retained Earnings \$	Reserves \$	Total \$
<b>Opening Balance at 1 July 2013</b>		11,000	-	-	11,000
Other comprehensive income		-	-	-	-
Profit for the year		-	14,824,262	-	14,824,262
<b>Total comprehensive during the year</b>		-	<b>14,824,262</b>	-	<b>14,835,262</b>
<b>Transactions with owners, in their capacity as owners and other transfers</b>					
Dividends paid or provided during the year		-	-	-	-
<b>Balance at 30 June 2014</b>		<b>11,000</b>	<b>14,824,262</b>	-	<b>14,835,262</b>
Opening Balance at 1 July 2014		11,000	14,824,262	-	14,835,262
Profit for the year		-	15,096,180	-	15,096,180
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	<b>15,096,180</b>	-	<b>15,096,180</b>
<b>Transactions with owners, in their capacity as owners and other transfers</b>					
Dividends paid or provided during the year		-	(50,000)	-	(50,000)
<b>Balance at 30 June 2015</b>		<b>11,000</b>	<b>29,870,442</b>	-	<b>29,881,442</b>

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

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Statement of Cash Flows for the year ended 30 June 2015

	Note	Consolidated	
		2015	2014
		\$	\$
Cash receipts in the course of operations		107,433,934	55,043,252
Cash payments in the course of operations		(78,175,002)	(35,277,587)
Finance costs		(955,366)	(9,893)
Income tax paid		(5,440,550)	-
<b>Net Cash Flows from Operating Activities</b>	19	<b>22,863,016</b>	<b>19,755,772</b>
Purchase of property, plant and equipment		(25,421,604)	(20,145,271)
Purchase of intangible assets		(11,215,426)	-
Purchase of business		(6,052,816)	-
Proceeds on sale of non-current assets		4,285,294	402,566
<b>Net Cash Flows used in Investing Activities</b>		<b>(38,404,552)</b>	<b>(19,471,799)</b>
Receipts from borrowing		15,778,591	1,283,435
Dividend paid		(50,000)	-
Hire purchase payments		(574,085)	2,425,284
<b>Net Cash Provided by Financing Activities</b>		<b>15,154,506</b>	<b>3,708,719</b>
<b>Net increase/ (decrease) in cash held</b>		<b>(387,030)</b>	<b>3,992,692</b>
Cash at beginning of the year		3,992,692	-
<b>Cash at the end of the year</b>	7	<b>3,605,662</b>	<b>3,992,692</b>

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



# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### Note 1: Summary of Significant Accounting Policies

The financial statements and notes represent those of Bingo Industries Pty Ltd and controlled entities ("the Group").

The financial statements are special purpose financial statements prepared to provide information to shareholders. The directors have determined that the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

Bingo Industries Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

#### Basis of Preparation

The financial statements have been prepared in accordance with the following Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001 as determined appropriate by the Directors:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation and Application of Standards
- AASB 1054 Australian Additional Disclosures

The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, 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.

The financial statements were authorised for issue on 3<sup>rd</sup> December 2015 by the directors of the parent entity.

#### a. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Company at the end of the reporting period. Subsidiaries are all those entities over which the group has control. The group controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### Note 1: Summary of Significant Accounting Policies

#### b. Income Tax

The income tax expense / (benefit) for the year comprises current income tax expense / (benefit) and deferred tax expense / (benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

(a) a legally enforceable right of set-off exists; and

(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The parent has formed a tax consolidation group with its subsidiaries.

#### c. 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. For the statement of cash flows presentation purposes, cash and cash equivalents also include bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

#### d. Revenue

##### *Revenue Services*

Revenue from provision of services 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.

##### *Sale of Goods*

Revenue for the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### Note 1: Summary of Significant Accounting Policies

#### *Interest Revenue*

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

#### **e. Trade and Other Receivables**

Trade and other receivables include amounts receivable for GST and withholding tax paid. Receivables expected to be collected within 12 months of the end of the reporting year are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are recognised at fair value less any provision for impairment.

#### **f. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting year or are required to be reimbursed to management where such expenses have been paid by management on behalf of the Company. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **g. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial year 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 borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### **h. Employee benefits**

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### **i. 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).

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 ATO is included with other receivables or payables in the statement of financial position.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**i. Goods and Services Tax (GST) (continue)**

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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**j. 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 Company.

**k. Impairment of Assets**

At the end of each reporting year, assets are reviewed to determine whether there is any indication they have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

**l. Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting year to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

**m. Intangibles**

Intangibles relate to goodwill arisen from the acquisition of the subsidiaries' assets and software.

Goodwill is carried at cost less any accumulated impairment losses and is included in intangible assets as it relates to the acquisition of the subsidiaries.

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

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### Note 1: Summary of Significant Accounting Policies

#### n. **Property, Plant and Equipment**

Plant and equipment are measured on the cost basis and is carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial year in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of fixed asset</b>	<b>Depreciation Rate</b>
Office equipment	10% - 50%
Trucks and machinery	10% - 33.3%
Leasehold improvements	10% - 25%
Plant and equipment	7% - 25%

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

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

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

#### o. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.



# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**o. Leases (continued)**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**p. 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 year.

**q. Issued 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.

**r. Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company 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 transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest 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 and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant year 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 amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

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## Notes to the Financial Statements for the year ended 30 June 2015

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### r. **Financial Instruments (continued)**

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.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments

##### (i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### (ii) *Financial liabilities – non derivative*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

##### (iii) *Financial liabilities – derivative*

Derivative financial liabilities relate to bonus shares linked to convertible notes issued. They are held at their fair value through profit and loss.

#### s. **New Accounting Standards for Application in Future Years**

A number of Australian Accounting Standards have been issued or amended and may be applicable to the Company but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date. The impact is not considered material by the directors.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

Consolidated Group		
	2015	2014
	\$	\$

### Note 2: Revenue

Sale of goods from operating activities	101,272,396	69,821,440
Total Revenue	<b>101,272,396</b>	<b>69,821,440</b>

### Note 3: Other Revenue

Interest income	109,250	-
Insurance proceeds received	424,995	-
Other revenue	719,732	811,060
Total Other Revenue	<b>1,253,977</b>	<b>811,060</b>

### Note 4: Other Expenses

Doubtful debts	539,941	103,482
Net loss on sale of property, plant & equipment	1,289,840	2,775
Minimum lease payments	1,601,274	455,403

### Note 5: Prior Year Restatement

Comparative figures in the 30 June 2014 statement of financial position relating to investments (\$3,000,000) and reserves (\$3,000,000) were reclassified to deposits paid and related party loans payable. This adjustment reflects the transaction that took place on 30 June 2014.



# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

Consolidated Group	
2015	2014
\$	\$

### Note 6: Income Tax Expense

#### The components of tax benefit comprise:

Current tax	6,479,400	4,940,501
Deferred tax	(193,313)	1,419,278
Adjustments related to prior year tax	206,334	-
Total Tax Expense	<b>6,492,421</b>	<b>6,359,778</b>

### Note 7: Cash and Cash Equivalents

Cash at bank	3,594,662	3,985,592
Cash on hand	11,000	7,100
Total Cash and Cash Equivalents	<b>3,605,662</b>	<b>3,992,692</b>

### Note 8: Trade and Other Receivables

#### CURRENT

Trade debtors	12,935,646	9,782,102
Provision for doubtful debts	(168,868)	-
Insurance proceeds receivable	7,233,311	5,418,702
Other receivables	59,874	-
Total Trade and Other Receivables	<b>20,059,963</b>	<b>15,200,804</b>

### Note 9: Inventories

Consumable Stores & Spares	1,539,723	278,044
Total Inventories	<b>1,539,723</b>	<b>278,044</b>

### Note 10: Intangibles

Goodwill – at cost	16,713,226	150,000
Patent – at cost	55,485	-
Software – at cost	649,531	-
Total Intangibles	<b>17,418,242</b>	<b>150,000</b>

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$

### Note 11: Other Assets

#### CURRENT

Prepayments	625,401	-
Deposit paid	2,083,811	3,000,000
Total Other Assets (Current)	<b>2,709,212</b>	<b>3,000,000</b>

#### NON CURRENT

Others- related parties	-	179,739
Total Other Assets (Non-current)	<b>-</b>	<b>179,739</b>

### Note 12: Property, Plant and Equipment

Office equipment at cost	366,343	333,806
Office equipment accumulated depreciation	(80,056)	(10,042)
Office equipment net	286,287	323,764
Trucks and machinery at cost	16,499,087	8,141,852
Trucks and machinery accumulated depreciation	(2,243,346)	(328,906)
Trucks and machinery net	14,255,741	7,812,946
Plant and equipment at cost	22,469,479	11,221,054
Plant and equipment accumulated depreciation	(2,322,278)	(269,465)
Plant and equipment net	20,147,201	10,951,589
Leasehold improvements at cost	60,969	-
Leasehold improvements accumulated depreciation	(3,158)	-
Leasehold improvements net	57,811	-
Total Property Plant and Equipment	<b>34,747,040</b>	<b>19,088,299</b>

### Note 13: Trade and Other Payables

#### CURRENT

Trade creditors	14,637,613	9,825,211
Other creditors and accruals	2,625,223	735,295
Total Trade and Other Payables	<b>17,262,836</b>	<b>10,560,506</b>

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$

### Note 14: Loans from Related Parties

#### CURRENT

Related company trading related loans	-	26,882
Loans from shareholders	-	3,000,460
Loans from AUG Investments	3,601,500	-
<b>Total Loans from Related Parties (Current)</b>	<b>3,601,500</b>	<b>3,027,342</b>

#### NON CURRENT

Loans from AUG Investments	-	3,000,000
Loan from shareholders	487,161	-
Loan from Duckshort Properties	1,000,000	1,000,000
<b>Total Loans from Related Parties (Non-current)</b>	<b>1,487,161</b>	<b>4,000,000</b>

### Note 15: Borrowings

#### CURRENT

Bank loan	600,000	-
Hire purchase liabilities	4,722,183	1,165,132
Less unexpired charges	(395,606)	(111,065)
<b>Total Borrowings (Current)</b>	<b>4,926,577</b>	<b>1,054,067</b>

#### NON CURRENT

Bank loan	9,135,757	-
Hire purchase liabilities	6,229,884	1,429,438
Less unexpired charges	(223,512)	(58,221)
<b>Total Borrowings (Non-current)</b>	<b>15,142,129</b>	<b>1,371,217</b>

The Group has a \$9,735,757 fully drawn banking facility with Suncorp Metway Bank which is due to mature on 5 December 2019 and is secured against all assets within the Group together with a fixed and floating charge on all entities within the Group.

The Group also has fully drawn hire purchase facilities with Commonwealth Bank of Australia for \$5,655,000, National Australia Bank for \$4,237,000 and Volvo Finance for \$441,000. These are secured against individual specific plant and equipment.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$

### Note 16: Provisions

#### CURRENT

Provision for annual leave	603,284	459,474
Other provisions	-	7,754
Total Provision	<b>603,284</b>	<b>467,228</b>

#### NON CURRENT

Provision for long service leave	263,504	214,178
Total Provision	<b>263,504</b>	<b>214,178</b>

### Note 17: Issued Capital

11,000 ordinary shares (2014: 11,000 ordinary shares)	11,000	11,000
	<b>11,000</b>	<b>11,000</b>

#### Ordinary Shares

At the beginning of the financial year	11,000	11,000
Shares issued during the year	-	-
Shares redeemed during the year	-	-
At the end of the financial year	<b>11,000</b>	<b>11,000</b>

### Note 18: Capital and Leasing Commitments

#### a. Hire Purchase Commitments

Current	4,326,577	1,054,067
Non-current	6,006,372	1,371,217
Total	<b>10,332,949</b>	<b>2,425,284</b>

#### b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

Payable – minimum lease payments:

- Not later than 12 months	1,173,205	455,403
- Between 12 months and five years	1,422,835	455,403
	<b>2,596,040</b>	<b>910,806</b>

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

Notes to the Financial Statements for the year ended 30 June 2015

	Consolidated Group	
	2015	2014
	\$	\$

## Note 19: Cash Flow Information

### a. Reconciliation of cash flow from operations with loss after income tax

Profit after income tax	15,096,180	14,824,262
Non-cash flows in profit / (loss):		
- depreciation and amortisation	5,477,565	651,651
- loss on sale of property, plant and equipment	1,289,840	2,775
Changes in assets and liabilities:		-
- (increase)/decrease in trade and other debtors	(4,859,159)	(14,639,380)
- (increase)/decrease in other assets	(791,152)	(278,044)
- (increase)/decrease in deferred tax receivable	(53,974)	-
- increase/(decrease) in trade and other creditors	5,412,491	18,520,856
- increase/(decrease) in income taxes	1,105,845	-
- increase/(decrease) in provisions	185,380	673,652
Net cash provided by operating activities	<b>22,863,016</b>	<b>19,755,772</b>

### b. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

Cash and cash equivalents	3,605,662	3,992,692
Cash as per the statement of cash flows	<b>3,605,662</b>	<b>3,992,692</b>

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

Consolidated Group		
	2015	2014
	\$	\$

### Note 20: Parent entity information

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

Profit after income tax	50,000	-
Total comprehensive income	50,000	-

#### Statement of financial position

Total current assets	6,250,708	6,577,111
Total assets	6,250,708	6,577,111
Total current liabilities	6,239,708	6,566,111
Total liabilities	6,239,708	6,566,111
Equity		
- Issued capital	11,000	11,000
- Retained profits	-	-
Total equity	11,000	11,000

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2015.

#### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

### Note 21: Company details

Bingo Industries Pty Ltd	New South Wales
Legal Form	Incorporated proprietary company limited by shares
Country of incorporation	Australia
Registered office	Suite 28-29 1-5 Jacobs Street Bankstown NSW 2200
Principal place of business	305 Parramatta Road Auburn NSW 2144

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

### Note 22: Entities in Bingo Group

	Principal place of business	2015 %	2014 %
Bingo Industries Pty Ltd (parent)	Australia	100	-
Bingo Group Pty Ltd	Australia	-	100
OATI (NSW) Pty Ltd	Australia	100	-
Mortdale Recycling Pty Ltd	Australia	100	-
Bingo Waste Services Pty Ltd	Australia	100	100
Bingo Bins Pty Ltd	Australia	100	100
Bingo Recycling Pty Ltd	Australia	100	100
Bingo Commercial Pty Ltd	Australia	100	100
Bingo Equipment Pty Ltd	Australia	100	100
St Marys Recycling Pty Ltd	Australia	100	-
Bingo Acquisitions Pty Ltd	Australia	100	-
Bingo Investments Pty Ltd	Australia	100	-
Toro Group Holdings Pty Ltd	Australia	100	-
Bingo IP Pty Ltd	Australia	100	100
Toro Waste Equipment (Aust) Pty Ltd	Australia	100	-
Adderley Recycling Pty Ltd	Australia	100	-
HBRC Pty Ltd	Australia	100	100
St Peters Recycling Pty Ltd	Australia	100	-
Bingo Skips Pty Ltd	Australia	100	100

### Note 23: Events Subsequent to the End of the Reporting Year

On 13<sup>th</sup> October 2015, the Group refinanced its banking facilities on improved terms and to provide more capacity going forward. In October the Group opened a state of the art recycling centre at Auburn in Sydney. The Group has also completed several acquisitions including a well located recycling centre in Sydney.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.

# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Notes to the Financial Statements for the year ended 30 June 2015

Consolidated Group		
	2015	2014
	\$	\$

### Note 24: Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by Crowe Horwath (FY 2015) and JAG Business Advisory (FY 2014), the auditor of the group:

#### *Audit services*

Audit or review of the financial statements	94,000	40,000
Other services	-	6,500



# BINGO INDUSTRIES PTY LTD AND CONTROLLED ENTITIES

ABN 14 162 984 821

## Directors' Declaration

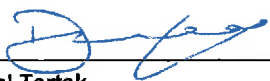
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In accordance with a resolution of the directors of Bingo Industries Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements, and
  - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity.
2. In the directors' 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.

Signed in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

  
\_\_\_\_\_  
Daniel Tartak  
Director

Dated 3rd day of December 2015  
Sydney

## **Independent Auditor's Report to the Members of Bingo Industries Pty Ltd**

### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Bingo Industries Pty Ltd (formerly Bingo Group Holdings Pty Ltd), 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *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 and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the *Corporations Act* 2001 and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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.



#### *Independence*

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

#### *Auditor's Opinion*

In our opinion the financial report of Bingo Industries Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

#### *Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 of 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.

*Crowe Horwath Sydney*

**CROWE HORWATH SYDNEY**

*John Haydon*

**JOHN HAYDON**  
Partner

Dated 3<sup>rd</sup> day of December 2015