



Paragon Consultants

Chartered Accountants

THE MANDALAY PROJECTS LTD

ABN 45 137 216 829

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

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THE MANDALAY PROJECTS LIMITED ABN 45 137 216 829

Financial Report for the Year Ended 30 June 2012

DIRECTORS' REPORT

Your directors present this report on the entity for the period ended 30 June 2012.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Ian Sherwood Love

Mr David Gibson

Mr Robert John Nash

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year was as a charitable organisation providing strategic, sustainable, development assistance to a growing number of orphanages and other organisations in Asia.

The Company provides three main categories of development, and within each of these there are two "steps" to be taken, to build solid foundations for support. It is a critical prerequisite of every project undertaken by the Company that development must ultimately be self-sustaining. The Company's aim is to enable the children supported to become more independent, and to ensure that any development programme doesn't actually increase dependence on outside assistance.

Short-term and Long-term Objectives

The entity's short-term objectives are to provide tactical development or emergency relief by provision of food & water and development by provision of services to improve health and hygiene.

The entity's long-term objectives are to provide strategic development to improve basic literacy and assist with higher education and vocational training.

To achieve these objectives, the entity has adopted the following strategies:

- always engage local partners to work with us on the projects
- always conduct site visits before, during and after project work
- on-site management is always involved in the planning and execution of projects
- projects kept to a manageable size
- keep a tight rein on cash-flow, releasing funds in small amounts at various stages through the life of a project
- keep operating costs as close to zero as possible, contributory factors including generous support by a number of pro-bono professional service providers, site visits being funded personally by us, and keeping administrative overheads to an absolute minimum

No significant changes in the nature of the entity's activity occurred during the period.

Information on Directors

Ian Sherwood Love	—	Director
Qualifications	—	Bachelor of Business, Chartered Accountant
Experience	—	Senior Executive with over 20 year commercial experience in the Asia Pacific region
Special Responsibilities	—	Chairman of the Company
David Gibson	—	Director
Qualifications	—	Bachelor of Commerce (Honours)
Experience	—	Independent consultant with 28 years experience in the asset management industry.
Special Responsibilities	—	Chief Executive Officer of the Company

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DIRECTORS' REPORT

Robert John Nash	—	Director
Qualifications	—	Bachelor of Laws
Experience	—	Barrister with over 20 year experience in legal advise and practice
Special Responsibilities	—	Legal advisor to the Company

Meetings of Directors

During the period, 5 meetings of directors (including committees of directors) were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr I S Love	5	5
Mr D Gibson	5	5
Mr R J Nash	5	4

The entity is incorporated under the *Corporation Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$30 (2011: \$30).

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2012 has been received and can be found on page 3 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director _____
Ian Sherwood Love

Dated this _____ day of _____ 2012

THE MANDALAY PROJECTS LIMITED

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE MANDALAY PROJECTS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Paragon Consultants Pty Ltd

Name of Partner: Ken Thomas

Date:

Address: 160 Stirling Highway, Nedlands, Western Australia 6009

THE MANDALAY PROJECTS LIMITED

ABN 45 137 216 829

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012

	Note	2012	2011
			\$
Revenue	2	1,295	135
Other income	2	47,991	128,348
Projects costs		(78,846)	(67,888)
Foreign exchange losses		—	(612)
Other expenses		(1,192)	(205)
Profit before income tax		(30,752)	59,778
Income tax expense		(290)	—
Profit (loss) for the period		(31,042)	59,778
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the period		(31,042)	59,778
Total comprehensive income attributable to members of the entity		(31,042)	59,778

The accompanying notes form part of these financial statements.

THE MANDALAY PROJECTS LIMITED

ABN 45 137 216 829

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012	2011
			\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	57,805	88,574
TOTAL CURRENT ASSETS		57,805	88,574
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		—	—
TOTAL ASSETS		57,805	88,574
LIABILITIES			
CURRENT LIABILITIES			
Current tax liabilities		290	17
TOTAL CURRENT LIABILITIES		290	17
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		—	—
TOTAL LIABILITIES		290	17
NET ASSETS		57,515	88,557
EQUITY			
Retained Earnings		57,515	88,557
TOTAL EQUITY		57,515	88,557

The accompanying notes form part of these financial statements.

THE MANDALAY PROJECTS LIMITED
ABN 45 137 216 829
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

	Retained Earnings	Total
	\$	\$
Balance at 30 June 2010	28,779	28,779
Profit attributable to the entity	59,778	59,778
Balance at 30 June 2011	<u>88,557</u>	<u>88,557</u>
Balance at 1 July 2011		
Profit attributable to the entity	(31,042)	(31,042)
Balance at 30 June 2012	<u>57,515</u>	<u>57,515</u>

The accompanying notes form part of these financial statements.

THE MANDALAY PROJECTS LIMITED

ABN 45 137 216 829

STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

	Note	2012	2011
			\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of gift		47,991	128,348
Other receipts		—	—
Bank fees		(330)	(140)
Filing fees		(368)	(65)
Other expenses		(511)	—
Interest received		1,295	135
		<hr/>	<hr/>
Net cash generated from operating activities		48,077	128,278
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment to projects		(78,846)	(67,888)
		<hr/>	<hr/>
Net cash used in investing activities		(78,846)	(67,888)
		<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES			
Foreign exchange losses		—	(612)
Net cash used in financing activities		—	(612)
		<hr/>	<hr/>
Net increase in cash held		(30,769)	59,778
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the period		88,574	28,796
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	3	<u>57,805</u>	<u>88,574</u>

The accompanying notes form part of these financial statements.

THE MANDALAY PROJECTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

The financial statements are for The Mandalay Projects Limited as an individual entity, incorporated and domiciled in Australia. The Mandalay Projects Limited is a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Mandalay Projects Limited has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning on or after 1 July 2011.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorized for issue on 2 October 2012 by the directors of the company.

Accounting Policies

a. Revenue

Donations, gifts and bequests are recognised as revenue when received.

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 from the rendering of a service is recognised upon the delivery of the service to the customers.

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

b. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie 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

Financial instruments are subsequently measured at either 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 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 MANDALAY PROJECTS LIMITED

ABN 45 137 216 829

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 amount 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 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.

(i) *Financial assets at fair value through profit or 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.

(ii) *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.

(iii) *Financial liabilities*

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.

Impairment

At the end of each reporting period, the entity 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 recognised in the statement of comprehensive income.

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 entity 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 discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is 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.

c. **Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

THE MANDALAY PROJECTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

NOTE1:SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONT'D)

d. **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 short-term borrowings in current liabilities on the statement of financial position.

e. **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 and 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.

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 payment to suppliers.

f. **Income Tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore 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 unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. 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 legally enforceable right of set-off exists, 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 periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

THE MANDALAY PROJECTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012

NOTE1:SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONT'D)

The Company is in the process of lodging an application for an exemption from income tax under Division 50 of the *Income Tax Assessment Act 1997*, however an exemption has not been approved in respect of the period ended 30 June 2012.

g. **Provisions**

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h. **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

i. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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.

THE MANDALAY PROJECTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 2: REVENUE AND OTHER INCOME

	2012	2011
	\$	\$
Revenue		
<i>Other revenue</i>		
— interest received	1,295	135
Total Revenue	1,295	135
Other Income		
— membership fees	—	—
— bequests and gifts received	47,991	128,348
Total Other Income	47,991	128,348
Total Revenue and Other Income	49,286	128,483

NOTE 3: CASH AND CASH EQUIVALENTS

CURRENT

Cash at bank	57,805	84,943
Cash on hand	—	3,631
	57,805	88,574

NOTE 4: INCOME TAX EXPENSE

- (a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on loss from ordinary activities before income tax at 30%	(9,226)	17,933
Less tax effect of:		
Non-assessable income	(14,397)	(38,545)
Add tax effect of:		
Non-deductible expenses	23,913	20,612
Income tax expense	290	—

NOTE 5: CONTINGENT LIABILITIES AND ASSETS

No contingent liabilities exist as 30 June 2012.

NOTE 6: EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

THE MANDALAY PROJECTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post- employ- ment Benefits	Other Long-term Benefits	Total
	\$	\$	\$	\$
Period ended 30 June 2011				
Total compensation	—	—	—	—
Period ended 30 June 2012				
Total compensation	—	—	—	—

NOTE 8: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 9: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

The carrying amount for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2012	2011
		\$	\$
Financial assets			
Cash and cash equivalents	3	57,805	88,574
Total financial assets		57,805	88,574
Financial liabilities			
Trade and other payables		—	—
Total financial liabilities		—	—

THE MANDALAY PROJECTS LIMITED

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Mandalay Projects Limited ,the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 13, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Ian Sherwood Love(Director)

Dated this _____ day of _____ 2012

THE MANDALAY PROJECTS LIMITED

ABN 45 137 216 829

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANDALAY PROJECTS LIMITED

We have audited the accompanying financial report of The Mandalay Projects Limited (the company), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of a significant accounting policies and other explanatory information, and the directors' declaration.

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 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 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 judgment, 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 and fair presentation 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 entity'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given the directors of The Mandalay Projects Limited, would be in the same terms if given to the directors as at the date of this auditor's report.

Qualification

In our opinion, it is not practicable to establish control over monies received from the source(s) of voluntary revenue prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my procedures with respect to monies received from the source(s) of voluntary revenue had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the source(s) of voluntary revenue the Company obtained are complete.

There is a lack of independent audit evidence, including receipts and order documents, to support all expenses disclosed in the Statement of Comprehensive Income.

Section 11(4) of the Charitable Collections Regulations (1947) requires every bank account to be operated by two officers at all times. The Company's bank account has two signatories, however does not require approval of both signatories for all withdrawals and transfers.

THE MANDALAY PROJECTS LIMITED
ABN 45 137 216 829
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MANDALAY PROJECTS LIMITED

Auditor's Opinion

In our opinion, except for the qualification paragraph above, the financial report of The Mandalay Projects Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Name of firm: Paragon Consultants Pty Ltd

Name of partner: Ken Thomas

Address: 160 Stirling Highway, Nedlands, Western Australia 6009

Dated this _____ day of _____ 2012