York Transport Equipment Pty Ltd

ABN 25 006 303 206

Annual Financial Report

for the year ended 31 March 2016

Contents

Directors' Report

The directors of York Transport Equipment Pty Ltd ("York Australia" or "the Company") submit herewith the annual financial report for the year ended 31 March 2016.

DIRECTORS

The names of the directors of the Company during or since the end of the reporting period are:

Sudhir Laxmikant Deoras
Alok Dhar Sharman
Jacinta Nevita Anthony

All directors were in office at the beginning of the reporting period until the date of this report, unless otherwise stated above.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company's principal activities during the reporting period were manufacturing and distribution of axles and suspension kits. There was no significant change in the nature of these activities during the year.

RESULTS AND DIVIDENDS

The profit of the Company for the year ended 31 March 2016 was $133,999 (2015: $51,322 loss). The Directors do not recommend a dividend for the year ended 31 March 2016 (2015: $nil).

REVIEW OF OPERATIONS

The Company experienced another difficult year in 2015/16, principally due to a severe downturn in the domestic market. This is a continuing trend from 2014/15, with the total number of trailers built in Australia has fallen by approximately 45% from its peak in 2012/13.

Through a series of negotiations and continued focus on customer service, we have in broad terms, maintained a similar level of market share during the financial year. Retention of our major customers has continued to be our focus.

The devaluation of the AUD in the region of 35% has impacted the bottom line; we have not been able to pass on our foreign exchange increases to the market place. Our major competitors have in fact limited their price increases to 5%.

The continued decline of Iron Ore & Coal prices in the resources sector has sustained the pressure on our margins, as products sold into this segment are our better margin products, with lower sales this financial year.

We improved our position on slow moving and non-moving inventory; however our total inventory hasn't seen a significant decline, but is trending in the right directions. Lead times from China have not improved to the level we anticipated as there is still a 3 month lead time for order delivery. Continued promotion of YPS in 2016/17 together with launching several new products will see the York brand enhanced further positioning ourselves to take advantage of improved annual sales when the market ultimately recovers.

We have developed a leaner, more strategically focussed organisation, with an emphasis on new product placement, continuing improvement of service levels to major fleets with senior managers spending time with strategically important clients and visits to the field. This helped company to achieve profitability reported in this financial year.

Looking forward, we have committed Engineering expertise to targeted customers in Queensland and Western Australia with an emphasis on technical knowledge and dedicated cost down activities with these customers.

SIGNIFICANT CHANGES AFTER REPORTING DATE

No other matters or circumstances have arisen since the end of the reporting period, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company has complied with all regulations and legislation applicable to the production and distribution of axles and suspension kits.

CORPORATE INFORMATION

York Transport Equipment Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia. The immediate parent entity is York Transport Equipment (Asia) Pte Ltd, which is incorporated in Singapore. The ultimate parent entity is TRF Limited which is incorporated in India.

The registered office of York Transport Equipment Pty Ltd is:

13 Monterey Road
Dandenong Victoria 3175

At reporting date, the number of employees within the company was 21 (2015: 21).

INDEMNIFICATIONS OF OFFICERS AND AUDITORS

During or since the end of the financial year, the Company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE

The directors received a declaration from the auditor of York Transport Equipment Pty Ltd, as set out on page 4. The Company's auditors, Ernst & Young, have provided tax compliance and consultancy services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided mean that auditor independence was not compromised.

Signed in accordance with a resolution of the directors.

Director: Sudhir Laxmikant Deoras	Director: Alok Dhar Sharman
Singapore	Singapore
Date: 29th May 2016	Date: 29th May 2016

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Auditor's Independence Declaration to the Directors of York Transport Equipment Pty Ltd

As lead auditor for the audit of York Transport Equipment Pty Ltd for the financial period ended 31 March 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Brett Croft
Partner
29 May 2016

YEAR ENDED 31 MARCH 2016

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2016	Note	1 APR 2015 TO 31 MAR 2016	1 APR 2014 TO 31 MAR 2015
		$	$
Revenue	3	9,521,292	11,649,421
Cost of sales		(6,291,902)	(8,452,785)
Gross profit		3,229,390	3,196,636
Other Income	3	125,460	120,791
Administrative expenses	4(a)	(1,661,509)	(1,736,619)
Selling and distribution expenses	4(b)	(1,350,661)	(1,490,936)
Research and development expenses		(287)	(12,872)
Net (loss) from foreign exchange		(5,960)	(19,200)
Other expenses		(13,697)	(3,546)
Profit from operations before tax and finance costs		322,736	54,254
Finance costs	4 (c)	(125,068)	(107,049)
Profit/(loss) before tax		197,669	(52,795)
Income tax (expenses) / credit	5	(63,670)	1,473
PROFIT/(LOSS) FOR THE YEAR		133,999	(51,322)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		133,999	(51,322)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

YEAR ENDED 31 MARCH 2016

Statement of Financial Position

AS AT 31 MARCH 2016	Note	31 MAR 2016 $	31 MAR 2015 $
CURRENT ASSETS			
Cash and cash equivalents	18(b)	223,183	212,289
Trade receivables	6	1,790,440	1,883,238
Inventories	7	4,716,524	5,783,486
Other current assets	8	107,944	69,204
TOTAL CURRENT ASSETS		6,838,091	7,948,217
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,234,279	1,298,633
Intangible assets	10	63,006	63,006
Deferred tax assets	5	237,703	226,106
TOTAL NON-CURRENT ASSETS		1,534,988	1,587,745
TOTAL ASSETS		8,373,079	9,535,962
CURRENT LIABILITIES			
Trade and other payables	11	6,320,618	8,718,300
Interest-bearing loans and borrowings	12	3,000,000	2,000,000
Provisions	13	411,763	382,801
Income tax payable		75,267	-
TOTAL CURRENT LIABILITIES		9,807,648	11,101,101
NON-CURRENT LIABILITIES			
Provisions	14	28,350	31,779
TOTAL NON-CURRENT LIABILITIES		28,350	31,779
TOTAL LIABILITIES		9,835,998	11,132,880
NET LIABILITIES		(1,462,919)	(1,596,918)
EQUITY			
Issued capital	16	6,100,000	6,100,000
Accumulated losses	17	(7,562,919)	(7,696,918)
TOTAL EQUITY		(1,462,919)	(1,596,918)

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

YEAR ENDED 31 MARCH 2016

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2016	Note	1 APR 2015 TO 31 MAR 2016 $	1 APR 2014 TO 31 MAR 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		10,503,821	13,703,011
Payments to suppliers and employees (inclusive of GST)		(11,470,981)	(13,812,572)
Interest (paid)/received		(118,631)	(100,710)
Rental income		111,755	120,750
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18(a)	(974,036)	(89,521)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,070)	(52,395)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(15,070)	(52,395)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,000,000	-
NET CASH FROM FINANCING ACTIVITIES		1,000,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,894	(141,916)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		212,289	354,205
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(b)	223,183	212,289

The above Cash Flow Statement should be read in conjunction with the accompanying notes to the financial statements.

YEAR ENDED 31 MARCH 2016

Statement of Changes in Equity

FOR THE TWELVE MONTHS ENDED 31 MARCH 2016	Issued capital	Accumulated losses	Total
	$	$	$
At 1 April 2014	6,100,000	(7,645,596)	(1,545,596)
Loss for the year	-	(51,322)	(51,322)
Total comprehensive loss for the year	-	(51,322)	(51,322)
At 31 March 2015	6,100,000	(7,696,918)	(1,596,918)
Profit for the year	-	133,999	133,999
Total comprehensive income for the year	-	133,999	133,999
At 31 March 2016	6,100,000	(7,562,919)	(1,462,919)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

1. CORPORATE INFORMATION

The financial report of York Transport Equipment Pty Ltd for the year ended 31 March 2016 was authorised for issue in accordance with the resolution of the directors on 29th May 2016.

York Transport Equipment Pty Ltd (the Company) is a company limited by shares incorporated in Australia.

The principal activities of the Company are manufacturing and distribution of axles and suspension kits.

The 2016 financial year is twelve months between 1st April 2015 and 31st March 2016. The comparative report for 2015 financial year is between 1st April 2014 and 31st March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the director's financial reporting requirements under the Corporations Act 2001. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the Corporations Act 2001, and are, in the opinion of the directors, appropriate to meet the needs of members:

I. The financial report has been prepared on an accrual basis of accounting including the historical cost convention and going concern assumption

II. The Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

The financial report has been prepared on the basis of historical cost and except, where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The financial report is presented in Australian dollars (AUD$) unless otherwise stated, under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, to the extent described in Note 2 (a) Basis of Preparation.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

(d) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

• except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

• except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) Foreign currency transactions

Both the functional and presentation currency of the Company is Australian dollars (AUD$).

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are brought to account in the income statement in the financial year in which they arise except:

(i) exchange differences which relate to assets under construction for future productive use are included in the cost of those assets; and

(ii) exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are allocated to inventory using a standard costing basis.

(g) Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Bad debts are written off as incurred.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Buildings are measured at cost less accumulated depreciation. Land is not depreciated.

Impairment
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses when recognised in the income statement are shown in the cost of sales line item.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(h) Property, plant and equipment (cont)

Depreciation
Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight line method.

The following useful lives are used in the calculation of depreciation:

	FY2016	**FY2015**
Buildings	20 years	20 years
Plant and equipment	5-14 years	5-14 years
Office equipment	5-9 years	5-9 years
Motor vehicles	4 years	4 years
Warehouse plant	5 years	5 years
Leased assets	4 years	4 years
Leasehold improvements	5 years	5 years

(i) Intangible assets

Intangible assets relate to Australian Design Regulation (ADR) licences and rights
The ADR licences and rights were initially brought to account at cost at the time of acquisition. They have an indefinite useful life and are therefore classified as intangible assets. Intangible assets are tested for impairment annually or where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(j) Leased assets

Leased assets classified as finance leases are capitalised as plant and equipment. The amount initially brought to account is the present value of minimum lease payments. A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Capitalised leased assets are amortised on a straight-line basis over the estimated useful life of the asset. Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. Operating lease payments are charged as an expense in the period in which they are incurred.

(k) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(l) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(n) Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(p) Finance Costs

Finance costs are recognised as an expense when incurred.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. However, as at 31 March 2016, the Company had a net asset deficiency of $1,462,919 (31 March 2015: $1,596,918) and current asset deficiency of $2,969,557 (31 March 2015: $3,152,884). The net asset deficiency in the financial statements primarily arose from accumulated losses of $7,562,919 (31 March 2015: $7,696,918). The directors are satisfied the company will be able to continue as a going concern as the parent company has agreed to subordinate amounts owing from the company totalling $5,933,789 (note 11) in favour of other creditors and to provide additional financial support to enable the company to pay its debts as and when they fall due.

The financial support is not able to be revoked for 12 months from the date of signing the 31 March 2016 financial report. Having regard to the undertaking provided by York Transport Equipment (Asia) Pte Ltd, the directors believe that the going concern basis of preparation is appropriate.

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been early adopted by the Company for the annual reporting period ended 31 March 2016. These new or amended Accounting Standards and Interpretations most relevant to the Association are set out below.

AASB 9 Financial Instruments - Classification and Measurement (effective from 1 January 2018)

The amending standard specifies new recognition and measurement requirements for financial assets within the scope of AASB 139 requiring financial assets to be measured at fair value through profit and loss unless the criteria for amortised cost measurement are met or the entity qualifies and elects to recognise gains and losses on equity securities that are not held for trading directly in other comprehensive income. The Company will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the Association.

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2017)

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services).

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Early application of this standard is permitted.

IFRS 16 Leases (effective from 1 January 2019)

Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. IFRS 16 contains disclosure requirements for lessees.

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

		1 APR 2015 TO 31 MAR 2016	1 APR 2014 TO 31 MAR 2015
		$	$
3. REVENUE FROM ORDINARY OPERATIONS			
Revenue from operating activities			
Sale of goods		9,521,292	11,649,421
Other income			
Interest		9	41
Rental income		125,451	120,750
		125,460	120,791
4. EXPENSES AND LOSSES			
(a) Administrative Expenses			
Salary and payroll expenses		(701,342)	(742,982)
Insurance		(98,171)	(103,937)
Utilities		(45,838)	(44,140)
Depreciation	4(d)	(79,424)	(99,540)
Administration fees		(205,225)	(205,320)
Others		(531,509)	(540,700)
Total administrative expenses		(1,661,509)	(1,736,619)
(b) Selling and distribution expenses			
Salary and payroll expenses		(660,047)	(741,199)
Warranty expenses		(44,773)	(79,277)
Advertising and shows & exhibitions		(131,157)	(51,125)
Freight expenses		(302,860)	(374,163)
Others		(211,823)	(245,172)
Total selling and distribution expenses		(1,350,661)	(1,490,936)
(c) Finance costs			
Bank charges		(6,428)	(6,298)
Interest – other persons		(118,640)	(100,751)
Total finance costs		(125,068)	(107,049)

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

		1 APR 2015 TO 31 MAR 2016	1 APR 2014 TO 31 MAR 2015
		$	$
(d) Depreciation of non-current assets			
Plant and equipment		(13,289)	(11,962)
Office equipment		(39,070)	(39,592)
Motor vehicles		(112)	(128)
Leasehold improvements		(360)	(360)
Buildings		(26,593)	(47,498)
Total depreciation expense	4(a)	(79,424)	(99,540)

5. INCOME TAX	31 MAR 2016	31 MAR 2015
	$	$
The prima facie income tax expense/(credit) on profit/(loss) from ordinary activities before income tax reconciles to the income tax expense/ (benefit) in the financial statements as follows:		
Profit/(Loss) from ordinary activities before tax	197,669	(52,795)
At statutory income tax rate of 30% (2015: 30%)	59,301	(15,838)
Non-deductible expenditure	7,978	14,249
(Over)/under related to previous financial periods	(3,609)	116
Income tax expense/(credit)	63,670	(1,473)
Deferred income tax		
Deferred income tax at 31 March relates to the following:		
Deferred tax assets		
Receivables	58,837	50,517
Inventory	37,489	37,489
Employee provisions	90,826	83,719
Warranty provisions	33,369	40,655
Other	23,926	18,345
Gross deferred tax assets	244,447	230,725
Deferred tax liabilities		
Prepayments	(5,318)	(4,619)
Fringe Benefit Tax	(1,426)	(4,619)
Net deferred tax asset	237,703	226,106
6. RECEIVABLES (CURRENT)		
Trade receivables	1,986,562	2,051,629
Less: provision for doubtful debts	(196,122)	(168,391)
	1,790,440	1,883,238

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

	31 MAR 2016	31 MAR 2015
7. INVENTORIES (CURRENT)	$	$
Finished goods	4,732,591	5,857,581
Less provision for obsolete stock	(124,965)	(124,965)
	4,607,626	5,732,616
Stock in transit	108,898	50,870
	4,716,524	5,783,486

8. OTHER ASSETS (CURRENT)

Prepayments	42,576	53,112
Sundry debtors	65,368	16,092
	107,944	69,204

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

9. PROPERTY, PLANT AND EQUIPMENT

	Building $	*Freehold Land* $	*Plant and equipment* $	*Office Equipment* $	*Motor Vehicles* $	*Warehouse plant* $	*Leased Assets* $	*Leasehold Improvement* $	*Total* $
Year ended 31 March 2016									
At 1 April 2015									
net of accumulated depreciation	224,220	935,715	49,280	87,908	280	-	-	1,230	1,298,633
Additions	-	-	-	15,070	-	-	-	-	15,070
Depreciation charge for the year	(26,593)	-	(13,289)	(39,070)	(112)	-	-	(360)	(79,424)
At 31 March 2016									
Net of accumulated depreciation	197,627	935,715	35,991	63,908	168	-	-	870	1,234,279
At 1 April 2015									
Cost	1,410,203	935,715	634,635	1,048,778	45,337	121,114	19,080	23,284	4,238,146
Accumulated depreciation and impairment	(1,185,983)	-	(585,355)	(960,870)	(45,057)	(121,114)	(19,080)	(22,054)	(2,939,513)
Net carrying amount	224,220	935,715	49,280	87,908	280	-	-	1,230	1,298,633
At 31 March 2016									
Cost	1,410,203	935,715	634,635	1,063,848	45,337	121,114	19,080	23,284	4,253,216
Accumulated depreciation and impairment	(1,212,576)	-	(598,644)	(999,940)	(45,169)	(121,114)	(19,080)	(22,414)	(3,018,937)
Net carrying amount	197,627	935,715	35,991	63,908	168	-	-	870	1,234,279

Notes to the financial statements

YEAR ENDED 31 MARCH 2016

9. PROPERTY, PLANT AND EQUIPMENT (CONT)

	Building $	*Freehold Land* $	*Plant and equipment* $	*Office Equipment* $	*Motor Vehicles* $	*Warehouse plant* $	*Leased Assets* $	*Leasehold Improvement* $	*Total* $
Year ended 31 March 2015									
At 1 April 2014									
net of accumulated depreciation	271,718	935,715	13,856	122,491	408	-	-	1,590	1,345,778
Additions	-	-	47,386	5,009	-	-	-	-	52,395
Depreciation charge for the year	(47,498)	-	(11,962)	(39,592)	(128)	-	-	(360)	(99,540)
At 31 March 2015									
Net of accumulated depreciation	224,220	935,715	49,280	87,908	280	-	-	1,230	1,298,633
At 1 April 2014									
Cost	1,410,203	935,715	587,250	1,043,768	45,337	121,114	19,080	23,284	4,185,752
Accumulated depreciation and impairment	(1,138,486)	-	(573,394)	(921,277)	(44,929)	(121,114)	(19,080)	(21,694)	(2,839,974)
Net carrying amount	271,718	935,715	13,856	122,491	408	-	-	1,590	1,345,778
At 31 March 2015									
Cost	1,410,203	935,715	634,635	1,048,778	45,337	121,114	19,080	23,284	4,238,146
Accumulated depreciation and impairment	(1,185,983)	-	(585,355)	(960,870)	(45,057)	(121,114)	(19,080)	(22,054)	(2,939,513)
Net carrying amount	224,220	935,715	49,280	87,908	280	-	-	1,230	1,298,633

9. PROPERTY, PLANT AND EQUIPMENT (CONT)

Revaluations

The latest valuation was performed on the 29th March 2012 when the "fair value" of the land and building was assessed at $3,950,000. This was based on an independent valuation by Mr Graham R Peters, a Certified Practising Valuer of Propertylinx, performed on that date. The valuation was performed on the basis of current market value of existing use.

Independent valuations were obtained to determine fair value which was determined by reference to an open market basis, being the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

Fair value is determined by reference to market – based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

The Company carries its land and buildings in the financial statements at cost less accumulated depreciation.

10. INTANGIBLE ASSETS

	Licenses $	*Rights* $	*Total* $
Year ended 31 March 2016			
At 1 April 2015			
Net of accumulated amortisation	63,006		63,006
Impairment	-	-	-
At 31 March 2016, net of accumulated amortisation	63,006	-	63,006
At 1 April 2015			
Cost	269,567	164,000	433,567
Accumulated amortisation and impairment	(206,561)	(164,000)	(370,561)
Net carrying amount	63,006	-	63,006
At 31 March 2016			
Cost	269,567	164,000	433,567
Accumulated amortisation and impairment	(206,561)	(164,000)	(370,561)
Net carrying amount	63,006	-	63,006

Intangible assets, consisting of ADR licenses which permit the Company to sell its products in the Australian market, were initially brought to account at the cost of acquisition. Provided that neither the specification of the parts used nor the government regulation changes, ADR licenses do not expire. The nature of such has allowed the Company to determine that the ADR licences have an indefinite useful life. In adopting AASB which states "Intangible assets with indefinite lives are not subjected to amortisation", the Company has subsequently stopped amortisation for ADR Licenses, therefore there is no amortisation for intangible assets. Intangible assets are tested for impairment annually or where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

As at 31 March 2016, these assets were tested for impairment. No impairment loss was charged to continuing operations for the year ended 31 March 2016.

	31 MAR 2016	31 MAR 2015
	$	$
11. PAYABLES (CURRENT)		
Unsecured:		
Trade creditors	188,549	306,915
Other creditors and accruals	198,280	214,522
Amount payable to:		
Parent entity - immediate holding company*	5,933,789	8,196,863
	6,320,618	8,718,300

*These amounts are interest free and have no fixed term of repayment.

12. INTEREST BEARING LOANS AND BORROWINGS (CURRENT)

Secured:		
Bank Loan	3,000,000	2,000,000

The banking facility is secured by a mortgage over the Company's land and property. The principal of the loan is due on 30 June 2016 and therefore bank loan has been classified as current in the balance sheet.

13. PROVISIONS (CURRENT)

Warranty provision	111,231	135,517
Provision for annual leave (note 15)	119,513	97,602
Provision for long service leave (note 15)	181,019	149,682
Total Current Provisions	411,763	382,801

14. NON-CURRENT PROVISIONS

Provision for long service leave (note 15)	28,350	31,779

15. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability included in the financial statements

Provision for employee entitlements:		
Current (note 13)	300,532	247,284
Non-current (note 14)	28,350	31,779
	328,882	279,063

The Company also contributes to Superannuation in accordance with Government SGC legislation providing 9.5% salary and wages to be contributed to an approved accumulation based Superannuation Fund. The Company also contributes an additional 1% to 4% as part of individual employee's remuneration packages.

	31 MAR 2016 $	31 MAR 2015 $
16. ISSUED CAPITAL		
33,100,000 fully paid ordinary shares (2015: 33,100,000)	6,100,000	6,100,000

Each fully paid ordinary share entitles the holder to one vote per share at general meetings. In the case of winding up the company, each fully paid ordinary share shall participate in the distribution of assets after the settlement of all liabilities

17. ACCUMULATED LOSSES

Accumulated losses	7,562,919	7,696,918
Movement in accumulated losses during the financial year:		
Balance at beginning of the financial year:	7,696,918	7,645,596
(Profit)/loss for the year	(133,999)	51,322
Balance at the end of financial year	7,562,919	7,696,918

18. NOTES TO THE STATEMENT OF CASH FLOWS

	1 APR 2014 TO 31 MAR 2015 $	1 APR 2014 TO 31 MAR 2015 $
(a) Reconciliation of profit/(loss) after tax to the net cash flows from operations		
Profit/(Loss)	133,999	(51,322)
Non-cash and non-operating items		
Depreciation of non-current assets	79,424	99,540
Changes in net assets and liabilities		
Decrease in trade and other receivables	48,647	951,113
(Increase)/decrease in inventories	1,066,962	(2,134,925)
(Increase)/decrease in other current assets	(38,740)	68,120
(Decrease)/increase in provisions	23,691	(360)
(Decrease)/increase in trade and other payables	(2,351,689)	979,786
(increase)/decrease in deferred tax assets	63,670	(1,473)
Net cash (used in)/from operating activities	(974,036)	(89,521)

(b) Reconciliation of Cash

Cash balance comprises:		
Cash on hand	1,000	1,000
Cash at bank	222,183	211,289
Cash and cash equivalents	223,183	212,289

19. COMMITMENTS AND CONTINGENCIES

a) Operating lease commitments – Company as lessee

The Company has entered into commercial leases on a photocopier machine, forklifts and motor vehicles where it is not in the best interest of the Company to purchase these assets.

The life of these operating lease ranges from 12 to 60 months with renewal terms included in the contracts. Renewals are at the option of the Company.

There are no restrictions placed upon the lessee by entering these leases. Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 MAR 2016	31 MAR 2015
	$	$
Within one year	70,876	95,125
After one year but not more than five years	49,454	120,329
	120,329	215,454

b) Finance lease and hire purchase commitments

The Company had no outstanding lease liabilities at reporting date.

c) Bank guarantees and available lines of credit

The Company has an outstanding bank guarantee of $40,000 (2015: $40,000).

The company has an asset finance leasing facility of $200,000 (2015: $200,000) for which no amount has been drawn at 31 March 2016 (31 March 2015: nil).

20. AUDITORS REMUNERATION

	31 MAR 2016	31 MAR 2015
	$	$
Amounts received or due and receivable by the auditors of York Transport Equipment Pty Ltd for:		
- Audit of financial statements	47,741	48,165
- Other services in relation to the entity	12,850	12,206
	60,591	60,371

21. SUBSEQUENT EVENTS

There are no matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect:

1. the operation of the Company;
2. the results of those operations, or
3. the state of affairs of the Company in subsequent financial years.

Directors' Declaration

In accordance with a resolution of the directors of York Transport Equipment Pty Ltd, I state that:

(a) The Company is not a reporting entity;

(b) The financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the financial position and performance of the company for the year ended 31 March 2016; and

ii. complying with Accounting Standards and Corporations Regulations; and

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors

Director: Sudhir Laxmikant Deoras
Singapore
Date: 29th May 2016

Director: Alok Dhar Sharman
Singapore
Date: 29th May 2016

Building a better
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Independent auditor's report to the members of York Transport Equipment Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report of York Transport Equipment Pty Ltd, which comprises the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and 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.

Directors' responsibility for the financial report

The directors of the registered entity are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2(a) to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a 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 have 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 controls relevant to the 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 registered entity's internal controls. 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 have given to the directors of the registered entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

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

a. giving a true and fair view of the registered entity's financial position as at 31 March 2016 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards to the extent described in Note 2, and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 2(a) to 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.

Ernst & Young

Ernst & Young

Brett Croft
Partner

Melbourne
29 May 2016