Allied Consolidated Limited (formerly Allied Brands Limited)

ABN 20 108 958 274

Consolidated annual report for the financial year ended 30 June 2013

Corporate Directory

Directors

Dr Adir Shiffman	(Non – Executive Chairman)
Mr Michael Pollak	(Non – Executive Director)
Mr John Kolenda	(Non – Executive Director)
Mr Kar Wing (Calvin) Ng	(Non - Executive Director)

Company Secretary

Andrew Whitten

Auditors

Stantons International
Level 2
1 Walker Avenue
West Perth WA 6005

Solicitors

Whittens Lawyers and Consultants
Level 5
137 – 139 Bathurst Street
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia
83/87 Market Street
Sydney
NSW AUSTRALIA 2000

Registered Office

c/- Whittens Lawyers
Level 5
137 Bathurst Street
Sydney
NSW AUSTRALIA 2000

Telephone:	(02) 80721400
Facsimile:	(02) 9283 1970
Email:	awhitten@whittens.com.au

Share Registry

Link Market Services Limited
Ground floor, 178 St Georges Terrace
Perth WA AUSTRALIA 6000

Stock Exchange Listing

The company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX")

Home Exchange: Sydney, New South Wales

ASX Code: ABQ

Web Site: www.alliedconsolidated.com.au

Contents

Corporate Governance Report

This Corporate Governance Statement sets out Allied Consolidated Limited's (**the Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**the ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the ASX Principles and Recommendations.

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	The Company's board of directors (**the Board**) is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to: (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. Consistent with these goals, the Board assumes the following responsibilities: (a) developing initiatives for profit and/or asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis. It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.
1.2. Companies should disclose the process for evaluating the performance of senior executives.	No	Given the current size of the Company and the fact that the Company currently has no senior executives, the process for evaluating their performance is not relevant.

Corporate Governance Report

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
2. Structure the board to add value		
2.1. A majority of the board should be independent directors.	No	The Board has reviewed the position and associations of each of the four directors in office and has determined that none of the directors are independent. In making this determination the Board has had regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate. The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principle criterion for the appointment of new directors is their ability to add value to the Company and its business.
2.2. The chair should be an independent director.	No	The Company's current Chairman Mr Adir Shiffman, does not satisfy the ASX Principles and Recommendations definition of an independent director. However, the Board considers Mr Shiffman's role as chairman essential to the success of the Company at this early stage of its restructure and the development of its new business.
2.3. The roles of chair and chief executive officer should not be exercised by the same individual.	N/A	The Company has not yet appointed a chief executive officer.
2.4. The board should establish a nomination committee.	No	No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.
2.5. Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	No	The Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company. The remuneration of an executive director will be decided by the Board, without the affected executive director participating in that decision-making process. There are currently no executive directors. The total maximum remuneration of non-executive directors is currently set at $500,000. Any increases will be the subject of a shareholder resolution in accordance with clause 13.7 of the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The Board may award additional remuneration to non-executive directors called upon to perform extra services or make special exertions on behalf of the Company.

Corporate Governance Report

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
3. Promote ethical and responsible decision-making		
3.1. Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	No	The Board is committed to the establishment and maintenance of appropriate ethical standards. Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, there is currently no official code of conduct in place. As the Company develops the Board intends to review its practices, and if deemed necessary, establish an appropriate code of conduct.
3.2. Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	No	The Company has not established a formal policy addressing diversity. Given the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, the Board does not consider it necessary to have a diversity policy. As the Company develops the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy in the future.
3.3. Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No	As mentioned in 3.2 above, the Company has not established a formal policy addressing diversity
3.4. Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	No	There are currently no women on the Board.
4. Safeguard integrity in financial reporting		
4.1. The board should establish an audit committee.	No	The Company does not have a separately constituted audit committee due to its current size and the fact that the Company is only in the early stages of its restructure and the development of its new business. The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.
4.2. The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; • has at least three members.	N/A	The Company does not currently have an audit committee.
4.3. The audit committee should have a formal charter.	N/A	The Company does not currently have an audit committee.

Corporate Governance Report

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
5. Make timely and balanced disclosure		
5.1. Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	No	Due to the current size of the Company and the fact that the Company is only in the early stages of its restructure and the development of its new business, there are no written policies in place. The Company is however committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act 2001. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as well as providing guidance to directors and employees on disclosure requirements and procedures.
6. Respect the rights of shareholders		
6.1. Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	No	Although the Company does not have a formal communications policy in place, all material matters will be disclosed to the market in accordance with the Listing Rules. The Company encourages shareholders to register for receipt of announcements and updates electronically.
7. Recognise and manage risk		
7.1. Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	The Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings. The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity. The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.
7.2. The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	No	This has not been formalised as a role of management, as this responsibility presently sits at Board level.

Corporate Governance Report

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
7.3. The board should disclose whether it has received assurance from the chief executive office (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	No	The Company has not yet appointed a chief executive officer.
8. Remunerate fairly and responsibly		
8.1. The Board should establish a remuneration committee.	No	As mentioned in 2.5 above, the Company does not have in place a separately constituted remuneration committee due to the size and current operations of the Company.
8.2. The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; • has at least three members.	No	The Company does not currently have a remuneration committee.
8.3. Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	The remuneration of an executive director will be decided by the Board, without the affected executive director participating in that decision-making process. There are currently no executive directors. The total maximum remuneration of non-executive directors is currently set at $500,000. Any increases will be the subject of a shareholder resolution in accordance with clause 13.7 of the Company's constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each non-executive director.

Directors' Report

The Directors of Allied Consolidated Limited (formerly Allied Brands Limited) ("the Company" or "the Group") submit herewith the consolidated financial statements of the Company for the financial year ended 30 June 2013. In order to comply with provisions of the Corporations Act 2001, the Directors report as follows:

Officers and Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr Michael Pollak	Non-Executive Director (appointed 1 February 2013)
Mr John Kolenda	Non-Executive Director (appointed 1 February 2013)
Dr Adir Shiffman	Non-Executive Director (appointed 1 February 2013)
Mr Kar Wing (Calvin) Ng	Non-Executive Director (appointed 1 February 2013)
Mr Peter Allan Graham	(resigned 8 October 2012)
Mr Peter David Elligett	(resigned 8 October 2012)
Mr Lachlan Stuart McIntosh	(resigned 8 October 2012)
Mr Roger Steinepreis	(appointed 8 October 2012 - resigned 1 February 2013)
Mr George Venturas	(appointed 8 October 2012 - resigned 1 February 2013)
Mr Nick Castleden	(appointed 8 October 2012 - resigned 1 February 2013)

The above named Directors held office during and since the financial year, except as otherwise indicated.

Incomplete records

The management and affairs of the Company were not under the control of the Directors from the date the Company entered voluntary administration on 27 October 2010 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 30 January 2013.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed 1 February 2013 as part of the recapitalisation proposal approved by the Company's creditors and shareholders.

As a result, the financial information relating to the 30 June 2013 financial report was not subject to the same accounting and internal control processes which include the implementation and maintenance of internal controls, that are relevant to the preparation and fair presentation of the financial report. Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 30 January 2013, being the date that the DoCA effectuated and control of the company was passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report for the period ending 30 June 2013.

To prepare the financial report, the Directors have reconstructed the financial records of the Company using data extracted from the Company's accounting system and receipts and payments for the period 1 July 2012 to 30 June 2013.

Consequently, the Directors are of the opinion that is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australia Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, because of the possible effect of this matter on the current year's figures and the corresponding prior year figures.

Principal activities

The principal activity of the Company and consolidated entity during the course of the year was as an owner, developer and operator of retail, franchise and e-commerce brands.

Review of operations and results

The company is an owner, developer and operator of retail, franchise and e-commerce brands. The company reported a profit of $31,813,856 for the year ended 30 June 2013 due primarily to a gain arising from the settlement

Directors' Report

of all liabilities and obligations of the Company as a result of the effectuation of the DoCA and the creation of the Creditors' Trust Deed.

On 27 October 2010, the Company went into voluntary administration and operations were suspended. The administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

As part of this process the creditors approved the administrators entering into DoCA, pursuant to which the Deed Administrator was authorised, among other things, to investigate the restructure of the Company's capital with a view to re-instating the Company's shares to quotation on the Australian Stock Exchange (ASX) for the benefit of shareholders.

On 30 January 2013, the Allied Consolidated Limited DoCA had been effectuated and has now therefore been terminated. The Company's shares gained re-instatement to official quotation on the Australian Stock Exchange (ASX) on 7th June 2013.

The issued capital of the Company has been consolidated on the basis that every fifteen (15) shares have been consolidated to one (1) share and every fifteen (15) options has been consolidated to one (1) option.

An allotment of 20,000,000 fully paid ordinary shares in the Company to the Company's former noteholders as consideration for the cancellation of the pre-existing secured notes on issue took effect in conjunction with the issue of other securities in a placement via a prospectus dated 6 February 2013.

As part of the Company's DoCA proposal, it retained ownership of some of the Awesome Water and Awesome Entertainment intellectual property and it is currently investigating the re-launch of these businesses.

On 4 June 2013 the Company registered Disruptive Opportunities No.1 Pty. Ltd (ACN 164 109 826), owning 100% of its issued capital. On the 14 June 2013, Disruptive Opportunities No.1 Pty. Ltd. acquired 100% of the legal and beneficial interest in all of the operating assets and intellectual property of Accommodation Clearing House Pty Ltd (in liquidation) ("Check-In.com.au") for $35,000 (note 28).

Significant Changes in state of affairs

Significant changes in the state of affairs of the Company during the financial year were as follows:

At general meetings held on 8 October 2012 and 29 January 2013, the shareholders of the Company resolved to change the name of the Company to Allied Consolidated Limited;

1. Consolidate the capital on a 1:15 basis; adopt a new Constitution; elect Michael Pollak, Kar Wing (Calvin)Ng, Adir Shiffman and John Kolenda as directors; authorise the issue of 20,000,000 secured creditor consideration shares to Noteholders, authorise share placement of 120,000,000 shares at 0.25 cent per share (Share Offer 1), authorise an offer of 140,000,000 shares at 1 cent per share (Share Offer 2), authorise an offer of up to 50,000,000 shares at 1 cent per share (Share Offer 3), authorise an offer of 60,000,000 options at 0.0025 cents per option (Options offer); and authorise allotments and issues to the directors from the placement and issues;
2. With the satisfaction of all conditions and obligations of the parties, the DoCA effectuated on 30 January 2013 and the Company was released from being subject to the DoCA. All subsidiaries were de-consolidated from the Group;
3. The Share Placement Offer, Share Offer and Options Offer ("the Offers")were made in the Prospectus dated 6 February 2013;
4. The securities pursuant to the Offers were allotted and issued on 19 March 2013. The material terms of the options is set out in Note 19.
5. The company was reinstated to the ASX Official List on 7 June 2013.

Directors' Report

6. Creation of a 100% owned subsidiary Disruptive Opportunities No.1 Pty. Ltd on 4 June 2013. On 14 June 2013 Disruptive Opportunities No.1 Pty. Ltd. agreed to the purchase of the operating assets and intellectual property of Check-in.com.au for $35,000.

Environmental regulations

There are no applicable environmental regulations that would have an effect on the Company.

Dividends

No dividends have been paid or declared since the beginning of the financial year and none are recommended.

Subsequent events

There have been no subsequent events.

Likely developments and expected results of Operations

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.

Employees at the reporting date

The Group employed five (5) employees (2012: Nil) not including the directors.

Information on Directors

Mr Michael Pollak (Non-executive Director, age 38)

Experience and Expertise
Mr Pollak holds a bachelor of Commerce, is a chartered accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PricewaterhouseCoopers 15 years ago. Michael has gained valuable experience in Sydney and London in general management, audit, insolvency, corporate advisory and strategy across a wide of range of industries, including mining, financial services and manufacturing. Michael has been involved in the recapitalisation of a number of ASX-listed companies.

Other Current Directorships

None.

Former Directorships in the Last Three Years
FRR Corporation Limited (Non-executive director)
PLD Corporation Limited (Non-executive director)
Prospect Resources Limited (Non-executive director)

Special Responsibilities
None.

Interests in Shares and Options
17,212,500 ordinary shares and 7,062,500 options

Mr John Kolenda (Non-executive director, age 49)

Experience and Expertise
John has a long history of corporate experience in Australia. John jointly founded X Inc in 2004 and, following its merger with the mortgage broking operations of Ray White in late 2007, is now challenging for market leadership. John was an Executive Director of the merged entity Loan Market Group, comprising X Inc Finance, Loan Market and realestate.com.au Home Loans before selling his shareholding in September 2009. Prior to X Inc, John spent 8 years with Aussie Home Loans progressing through senior positions such as regional sales manager, state manager,

executive sales manager and general sales manager. John also has extensive private equity experience in property, finance, insurance and the food & beverage sector. John serves as a director of several companies including Veneziano Coffee, Victus International, Groove Train Restaurant Group and 1300 Home Loan.

Other Current Directorships
None.

Former Directorships in the Last Three Years
None.

Special Responsibilities
None.

Interests in Shares and Options
12,080,000 ordinary shares and 4,250,000 options

Dr Adir Shiffman (Non-executive director, age 38)

Experience and Expertise
Dr Shiffman has significant expertise in originating, leading and structuring investments in start-up companies, and accelerating growth stage companies. He is currently involved in a number of technology companies including: co-founder and director of www.StartHere.com.au, a mass consumer platform offering rebates to online shoppers; co-founder and Chairman of Global Reviews, a competitive analytics company focussed on benchmarking online sales metrics of large companies; executive director of Disruptive Capital, and the Chairman of world-leading athlete analytics technology provider Catapult Sports. Adir also founded and sold HelpMeChoose.com.au to Mortgage Choice (ASX:MOC) in 2009.

Other Current Directorships
None.

Former Directorships in the Last Three Years
None.

Special Responsibilities
None.

Interests in Shares and Options
16,500,000 ordinary shares and 4,525,000 options

Mr Calvin Ng (Non-executive director, age 30)

Experience and Expertise
Calvin is a Co-Founder and Director of Aura Capital Group a boutique corporate advisory and private equity house with operations in Australia and Singapore. Prior to establishing Aura Capital Group, Calvin worked at a high profile Australian hedge fund manager focusing on high yield debt, listed and private equity investments. In this role, he gained exposure to a wide range of industries, geographies and asset classes through the provision and investment of over A$1 billion in public and private market transactions. Calvin currently advises a range of Australian companies in the finance, insurance, food & beverage, resources and technology sectors. He currently sits on a number of Boards including Aura Capital Group, Disruptive Capital, Finsure Finance & Insurance, www.StartHere.com.au, Aura Legal and 1300 Home Loan. He holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. Calvin is also admitted to practice as a solicitor in the Supreme Court of New South Wales.

Other Current Directorships
None.

Former Directorships in the Last Three Years
None.

Special Responsibilities
None.

Interests in Shares and Options
17,230,000 ordinary shares and 4,375,000 options

Company Secretary

The company secretary is Andrew Whitten. Andrew was appointed to the position of company secretary on 1 February 2013.

Directors' meetings

Due to the appointment of the Administrator on 27 October 2010, information on the attendance at Directors' meetings is not available prior to the 1 February 2013. Subsequent to 1 February 2013, the meetings that each director was eligible to attend, and the number of meetings attended by each director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Adir Shiffman	2	2
Kar Wing Ng	2	2
Michael Pollak	2	2
John Kolenda	2	2

The majority of the Company's business was conducted via circular resolution.

REMUNERATION REPORT (AUDITED)

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Service agreements; and
4. Share-based compensation.

The information provided under headings 1 to 4 above in the Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001.*

1 Principles used to determine the nature and amount of remuneration (audited)

The Company's Constitution specifies that subject to the initial fixed annual aggregate sum of $500,000, the aggregate remuneration of non-executive directors shall not exceed the sum determined by the shareholders of the Company in general meeting.

Fees and payments to directors:

1 are to reflect the demands which are made on, and the responsibilities of, the directors; and

2 are reviewed annually by the board to ensure that directors' fees and payments are appropriate and in line with the market.

Retirement allowances and benefits for directors

There are no retirement allowances or other benefits paid to directors.

Directors' Report

Remuneration Report (audited) (continued)

Directors' fees

The amount of remuneration of the directors of the Company (as defined in AASB 124 *Related Party Disclosures*) is set out in the following table. During the financial year there were no executives other than the directors. There was no remuneration of any type paid to the directors, other than as reported below for the provision of director and professional services.

2 Details of remuneration in 2013 (audited)

Name of Director	Short term benefits Salary & fees	Non-monetary Benefits	Post Employment Benefits - Superannuation	Share based payment	Total
Non-executive directors					
Adir Shiffman (a)(b)	20,000	-	-	-	20,000
Kar Wing Ng (a)(b)	20,000	-	-	-	20,000
John Kolenda (a)(b)	20,000	-	-	-	20,000
Michael Pollak (a)	18,307	-	1,693	-	20,000
Totals	**78,307**	**-**	**1,693**	**-**	**80,000**

During the year ended 30 June 2013 and 30 June 2012 the directors' did not receive any cash bonus, performance related bonus and share based payments.
Accordingly, no options or rights have been issued as remuneration to director or key management personnel. For related party payments, please refer to the Note 23 of the financial statements.

(a) Messers Shiffman, Ng, Kolenda and Pollak did not receive any remuneration for the year ended 30 June 2012. From the date of their appointment as directors on 1 February 2013, it has been agreed that the directors will each receive a director's fee of $48,000 p.a. (including superannuation and all other entitlements).

(b) Disruptive Capital Pty. Ltd. an entity associated with Adir Shiffman, Kar Wing (Calvin) Ng and John Kolenda, was paid $60,000 in total for directors' fees.

3 Service Agreements (audited)

The non-executive directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the Corporations Act 2011, or are not re-elected to office. The non-executive directors are remunerated on a monthly basis with three month termination payments payable.

As at the date of this report there are no executives or management personnel engaged by the Company other than the directors.

4 Share-based compensation (audited)

There were no share-based or option-based compensation paid to the directors during the financial year.

(End of Remuneration Report)

Additional Information

(a) Shares under options

As at the date of signing this report, there were 60,369,659 unlisted options (30 June 2012: 5,544,815). Refer to note 19 for further details of the options outstanding.

(b) Insurance of officers

Due to the Company entering administration on the 27 October 2010, the Directors & Officers insurance premium was consequently not renewed. On 27 June 2013, the Company obtained Directors & Officers insurance.

(c) Agreement to indemnify officers

The Company has entered into agreements with the directors to provide access to Company records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on behalf of the Company

No person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under Section 237.

(e) Auditor

Stantons International is the appointed auditor.

(f) Indemnity of Auditor

The auditor (Stantons International) has not been indemnified under any circumstance.

(g) Audit services

During the financial year $35,000 (excluding GST) was paid or is payable for audit services provided by Stantons International (2012: $NIL).

(h) Non-audit services

The following non-audit services were provided by the Company's auditor, Stantons International. 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 each type of non-audit service provided means that auditor independence has not been compromised.

Directors' Report

Stantons International received or are due to receive the following amounts for the provision of non-audit services:

	2013 $	2012 $
Independent expert report on the proposed recapitalisation of the Company.	**9,306**	-
	9,306	-

The board of directors consider that there was no independence issue in the provision of these services.

Auditor's independence declaration

The auditor's independence declaration is included on page 14 of the annual report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Adir Shiffman
Chairman
30 August 2013

Stantons International Audit and Consulting Pty Ltd
trading as
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Chartered Accountants and Consultants

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30 August 2013

Board of Directors
Allied Consolidated Limited
c/- Whittens Lawyers
Level 5, 137 Bathurst Street
Sydney
NSW AUSTRALIA 2000

Dear Sirs

RE: ALLIED CONSOLIDATED LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Allied Consolidated Limited.

As Audit Director for the audit of the financial statements of Allied Consolidated Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik
Director

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ALLIED CONSOLIDATED LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Allied Consolidated Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 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 in accordance with Australian Accounting Standards 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Because of the matter discussed in the basis of Disclaimer of Auditor's Opinion paragraph, we believe that the audit evidence we have obtained is not 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*.

Basis for Disclaimer of Auditor's Opinion

The company was placed into administration on 27 October 2010. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal control processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 2(c), the Directors are unable to state that the financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of Allied Consolidated 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 2013 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(iii) complying with all the requirements of the International Financial Reporting Standards.

Report on the Remuneration Report

We have audited the remuneration report included on page 10 and 11 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Disclaimer of opinion

Because of the existence of the limitation on scope of our work, as described in the Basis of Disclaimer of Auditor's Opinion, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion on the remuneration report of Allied Consolidated Limited for the year ended 30 June 2013 and whether it complies with Section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
30 August 2013

Directors' declaration

1. In the opinion of the Directors of Allied Consolidated Limited (formerly Allied Brands Limited)

   (a) As set out in note 2, and other parts of this report, although the Directors have prepared the financial statements and notes thereto, to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements and notes thereto, are 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 2013 and its performance for the financial year ended on that date; and

      (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

2. As set out in note 2, the Directors have prepared the financial statements and notes thereto on the basis that the Company is a going concern.

On behalf of the Directors

Adir Shiffman
Chairman
Sydney, New South Wales
30 August 2013

Consolidated statement of Profit or loss and other comprehensive income for the financial year ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Continuing operations			
Revenue		-	-
Other income	5	6,819	398
Administration expenses		(634,374)	(663,861)
Employee expenses		(21,519)	-
Operating profit/(loss) before financing costs		**(649,074)**	**(663,463)**
Financial income		16,463	1,680
Financial expenses		-	-
Net financing income/(expenses)		**16,463**	**1,680**
Profit/(loss) before tax		**(632,611)**	**(661,783)**
Income tax expenses		-	-
Net profit/(loss) from continuing operations		**(632,611)**	**(661,783)**
Discontinued operations			
Profit from discontinued operations after tax	6	32,330,163	-
Net profit/(loss) for the year		**31,697,552**	**(661,783)**
Other Comprehensive income			
Items that will not be reclassified to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:		-	-
Other Comprehensive income for the year		-	-
Movement in Reserves		116,304	-
Total Comprehensive income for the year		**31,813,856**	**(661,783)**
(Loss)/profit for the year attributable to members of the Company		31,697,552	(661,783)
Total comprehensive income/(loss) for the year attributable to the members of the Company		**31,813,856**	**(661,783)**
Basic earnings (loss) per share (cents)			
Continuing operations	24	($0.003)	($0.003)
Discontinued operations	24	$0.135	($0.003)
Diluted earnings (loss) per share (cents)			
Continuing operations	24	($0.003)	($0.003)
Discontinued operations	24	$0.135	($0.003)

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

Consolidated statement of financial position as at 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Current assets			
Cash and cash equivalents	8	945,379	13,894
Trade and other receivables	11	38,993	282,282
Security Deposits	12	75,000	-
Total current assets		**1,059,372**	**296,176**
Non-current assets			
Intangible assets	9	80,000	50,000
Property, Plant & Equipment	10	5,000	-
Other	13	600	-
Total non-current assets		**85,600**	**50,000**
Total assets		**1,144,972**	**346,176**
Current liabilities			
Secured Creditors	14	-	17,186,564
Priority Unsecured	15	-	482,065
Ordinary Unsecured	16	161,378	15,448,698
Total current liabilities		**161,378**	**33,117,327**
Total liabilities		**161,378**	**33,117,327**
NET ASSETS/(LIABILITIES)		**983,594**	**(32,771,151)**
Equity			
Issued capital	18	38,695,249	36,755,860
Reserves	19	1,500	(116,304)
Accumulated profit (losses)		(37,713,155)	(69,410,707)
TOTAL EQUITY		**983,594**	**(32,771,151)**

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

Consolidated statement of changes in equity for the financial year ended 30 June 2013

	Share Capital	Retained Earnings	Reserves	Total
	$	$	$	$
Balance as per 1 July 2012	36,755,860	(69,410,707)	(116,304)	**(32,771,151)**
Total comprehensive income for the year				
- Loss from continued operations		(632,611)		**(632,611)**
- Profit from discontinued operations		32,330,163	116,304	**32,446,467**
Transactions with owners in their capacity as equity holders				
- Shares Issued	2,057,850	-	-	**2,057,850**
- Options Issued			1,500	**1,500**
- Share Issue Costs	(118,461)	-	-	**(118,461)**
Balance as at 30 June 2013	**38,695,249**	**(37,713,155)**	**1,500**	**983,594**

	Share Capital	Retained Earnings	Reserves	Total
	$	$	$	$
Balance as per 1 July 2011	36,755,860	(68,748,924)	(116,304)	**(32,109,368)**
Total comprehensive income for the year	-	(661,783)	-	**(661,783)**
Shares Issued	-	-	-	-
Balance as at 30 June 2012	**36,755,860**	**(69,410,707)**	**(116,304)**	**(32,771,151)**

The above consolidated statement of change in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the financial year ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Cash flows from operating activities			
Cash receipts from customers		282,282	398
Cash paid to suppliers and employees		(1,054,100)	(255,713)
Cash generated from operations		(771,818)	(255,315)
Other income		6,819	-
Income taxes paid		-	-
Interest received		16,463	1,680
Net cash used in operating activities	25(b)	(748,536)	(253,635)
Cash flows from investing activities			
Acquisition of capital work in progress and PP&E		(5,000)	-
Other assets		(600)	-
Security deposits paid		(75,000)	-
Loans to related parties and franchisees		-	-
Payment of development costs		-	-
Payment for intangible assets		(30,000)	-
Net cash used in investing activities		(110,600)	-
Cash flows from financing activities			
Proceeds from the issue of share capital		1,689,230	-
Dividends paid		-	-
Payment of finance lease liabilities		-	-
Proceeds from borrowings		491,651	-
Repayment of borrowings		(390,260)	-
Proceeds from convertible notes issue		-	-
Cost of share buy back		-	-
Net cash provided by financing activities		1,790,621	-
Net increase/(decrease) in cash and cash equivalents		931,485	(253,635)
Cash and cash equivalents at the beginning of period		13,894	267,529
Cash and cash equivalents net of overdrafts at the end of period	25(a)	**945,379**	**13,894**

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

Notes to the financial statements for the year ended 30 June 2013

1. General information

Allied Consolidated Limited (formerly Allied Brands Limited) ("the Company") is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange.

The financial statements cover Allied Consolidated Limited as a consolidated entity consisting of Allied Consolidated Limited and the entities it controlled from time to time during the year ('group' or consolidated entity').

The Financial Report of Allied Consolidated Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the board of directors on 30 August 2013.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 where possible (refer to note 2(b) below).

The Directors have prepared this financial report on the basis that the Company is a going concern. The board considers the Company has sufficient cash resources to meet all operating costs for at least twelve months from the date of this report.

It is recommended that this financial report be read in conjunction with the public announcements made by Allied Consolidated Limited during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Report of Allied Consolidated Limited complies with International Financial Reporting Standards (IFRS).

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Where these are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 2(s).

Comparative figures
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. Refer to note 2(c) below regarding incomplete records and the potential impact on comparative figures

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the consolidated entity as at 30 June 2013 and the results of the parent and all subsidiaries for the year then ended.

2. Significant accounting policies (continued)
(b) Principles of Consolidation (continued)

Disruptive Opportunities No.1 Pty. Ltd. is a 100% owned subsidiary over which the Company has the power to govern the financial and operating policies as the holder of all of the voting rights. The subsidiary is fully consolidated from the date of incorporation of the subsidiary and the issue on that date of one thousand shares to the Company. Consolidation will cease from the date that control of the subsidiary ceases. Any and all intercompany transactions and balances between the Company and the subsidiary are eliminated on consolidation.

Awesome Water (Australia) Pty Ltd is a 100% owned subsidiary over which the Company has the power to govern the financial and operating policies as the holder of all the voting rights. The subsidiary is fully consolidated from the date of incorporation of the subsidiary and the issue on that date of one hundred shares to the Company. Consolidation will cease from the date that control of the subsidiary ceases. Any intercompany transactions and balances between the Company and subsidiary are eliminated on consolidation.

(c) Incomplete records

The management and affairs of the Company have not been under the control of the Directors of the Company since it entered into voluntary administration on 27 October 2010 until the date the Deed of Company Arrangement ("DoCA") effectuated, being 30 January 2013. As a result, the financial information relating to the 30 June 2013 financial report were not subject to the same accounting and internal control processes, which include the implementation and maintenance of internal controls, that are relevant to the preparation and fair presentation of the financial report.

Furthermore, it has not been possible for the Directors to obtain all of the books and records of the Company for the period up to 1 February 2013, being the date the DoCA effectuated and control of the Company was passed over to the Directors. Whilst the books and records of the Company have been reconstructed to the maximum extent possible for the year ended 30 June 2013, the Directors are unable to satisfy themselves as to the completeness of the general ledger and financial records for this year and the comparative period.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration or for the full periods presented in this report. The Directors who prepared this financial report were appointed on 1 February 2013.

To prepare the financial report, the Directors reconstructed the financial records of the Company using:

- The record of receipt and payments and any other information made available by the administrator of the Company and from various other sources when relating to the subsidiaries of the Company for the period from their appointment on 27 October 2010 to 30 January 2013.

It has not been possible for the Directors to obtain all the books and records:

- Maintained by the Administrator (or others as relating to the subsidiaries) since their appointment on 27 October 2010.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state that this financial report gives a true and fair view of the Company's financial position.

The accounting policies and methods of compilation adopted in the preparation of the financial year financial report are consistent with those adopted and disclosed in the Company's 2012 annual financial report. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

There are no new revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the Company's operations and effective for the current reporting period, other than as disclosed in this report.

Notes to the financial statements for the year ended 30 June 2013

2. Significant accounting policies (continued)

(d) Revenue recognition

Interest revenue is recognised on a time proportionate basis using the effective interest method.

(e) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes 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.

(f) Trade and other receivables

Trade and other receivables are initially recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

(g) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.
Depreciation on assets is calculated using the straight-line basis over their estimated useful lives, as follows:

Furniture and fittings	2-13 years
Motor vehicles	4-5 years
Leasehold improvements	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. 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 carrying amount. These are included in the statement of comprehensive income.

(h) Intangibles

Intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(i) Income Tax

The income tax expense or revenue for the period is the tax payable on a current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from

Notes to the financial statements for the year ended 30 June 2013

2. Significant accounting policies (continued)
(i) Income Tax (continued)

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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged to the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

(j) Other receivables

Other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(l) Borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(m) Contributed equity

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 from the proceeds.

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Share based payment transactions

(i) Equity settled transactions
The Group provides benefits to its employees (including key management personnel) in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The charge to the statement of comprehensive income is taken when the options are granted. There is a corresponding entry to equity.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the financial statements for the year ended 30 June 2013

2. Significant accounting policies (continued)

(o) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

(q) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

(r) 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 the purchase or sale of 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 as "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 fair value, amortised cost using the effective interest rate method or cost. Amortised cost is 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 the initial amount and the maturity amount calculated using the effective interest method.

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

Notes to the financial statements for the year ended 30 June 2013

2. Significant accounting policies (continued)
(r) Financial instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premium 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 be necessitate an adjustment to carrying value with a consequential recognition of an income or expense item in profit or loss.

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) Financial assets at fair value through profit or loss
Financial assets are classified as "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.

(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.
Loans and receivables are included in current assets, where they are expected to mature within 12 months at the end of the reporting period.

(iii) Held-to-maturity Investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.
Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of reporting period. All other investments are classified as current assets.

(iv) Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.
They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognized, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end date of the reporting period. All other financial assets are classified as current assets.

(s) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment
The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in- use calculations performed in assessing recoverable amounts incorporate a number of key estimates. All assets were impaired as a result of the appointment of an Administrator and a receiver. Assets have been written down to the amounts recovered by the Administrator.

2. Significant accounting policies (continued)

(t) Interest bearing liabilities

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

The component of the convertible notes that exhibit characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

On issuance of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent market instrument and this amount is carried as a long term liability using the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least twelve months after the Balance date.

(u) Provisions and employee benefits

Provisions are recognised when the Group 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 the obligation.

When the Group 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 profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flow and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effects of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured at 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 expected 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 currencies that match, as closely as possible, the estimated future cash flows.

Notes to the financial statements for the year ended 30 June 2013

2. Significant accounting policies (continued)

(v) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014

2. Significant accounting policies (continued)
(v) New Accounting Standards for Application in Future Periods (continued)

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation - Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

  AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or 'joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

2. Significant accounting policies (continued)

(v) New Accounting Standards for Application in Future Periods (continued)

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the 'special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

  - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
  - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the Group.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual ley management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

  This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

  This standard is not expected to significantly impact the Group's financial report as a whole.

  AASB 119 (September 2011) includes changes to the accounting for termination benefits.

  The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

  AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7); AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132); AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'; AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'; and Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.

  These standards are not expected to impact the Group.

(w) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective* 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

Notes to the financial statements for the year ended 30 June 2013

3. Segment information

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income, statement of financial position and statement of cash flows.

For the year ended 30 June 2013 the Company had only one geographical location being Australia and operated in one business segment being as an owner, developer and operator of retail, franchise and e-commerce brands.

4. Financial risk management objectives and policies

Risk management is the role and responsibility of the board. The Company's current activities expose it to limited risk. However, as activities increase there may be exposure to interest rate, market, credit and liquidity risks.

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating Interest Rate	1 year or less	Over 1 year less than 5	More than 5 years	Non interest bearing	Total
	$	$	$	$	$	$
30 June 2013						
Financial Assets						
Cash and deposits	850,000	-	-	-	95,379	945,379
Trade and other receivables	-	-	-	-	38,993	38,993
Security deposit	-	-	-	-	75,000	75,000
	850,000	-	-	-	209,372	1,059,372
Weighted average interest rate	3.7%	-	-	-	-	3.2%
						-
Financial Liabilities						-
Trade and other payables	-	-	-	-	161,378	161,378
	-	-	-	-	161,378	161,378
Weighted average interest rate	-	-	-	-	-	-
30 June 2012						
Financial Assets						
Cash and deposits	-	-	-	-	13,894	13,894
Trade and other receivables	-	-	-	-	282,282	282,282
	-	-	-	-	296,176	296,176
Weighted average interest rate	-	-	-	-	-	-
						-
Financial Liabilities						-
Trade and other payables	-	-	-	-	33,117,327	33,117,327
	-	-	-	-	33,117,327	33,117,327
Weighted average interest rate	-	-	-	-	-	-

The Company has interest bearing assets and therefore income and operating cash flows are subjective to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- $8,500 (2012: $0) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

Notes to the financial statements for the year ended 30 June 2013

4. Financial risk management objectives and policies (continued)

(b) Market Risk

The Company is not exposed to equity securities price risk as it holds no investments in securities classified on the Statement of Financial Position either as available-for-sale or at fair value through profit or loss; or to commodity price risk.

(c) Credit Risk

The Company has no significant concentrations of credit risk and as such, no sensitivity analysis is prepared by the Company.

(d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a Business Online Saver with Commonwealth Bank of Australia which is available as required.
The material liquidity risk for the Company is the ability to raise equity in the future.

(e) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Company.

5. Revenue

An analysis of the Company's revenue for the year is as follows:

	Consolidated	
	2013	2012
	$	$
Other non-operating income	6,819	398
Total revenue	6,819	398

6. Profit from Discontinued Operations

(a) Details of operations disposed

On 27 October 2010, the Company went into voluntary administration. The Administrators sought expressions of interest from third parties in either acquiring the assets of the Company or reconstructing and recapitalising the Company.

As part of this process, the creditors approved the Administrators entering into a Deed of Company Arrangement (DoCA) on 28 June 2011, pursuant to which the Deed Administrator was authorised, among other things, to investigate the restructure of the Company's capital with a view to reinstating the Company's shares to quotation on the ASX for the benefit of creditors and shareholders.

The Company's creditors agreed with a proposal presented by a syndicate headed by Blueknight Corporation Pty Ltd for the restructure and recapitalisation of the Company. The proposal was approved by shareholders on 8 October 2012 and 29 January 2013 and was successfully completed on 30 January 2013.

At or subsequent to completion, the following occurred:

1. The syndicate headed by Blueknight Corporation Pty Ltd paid $463,000 to the Deed Administrator;

Notes to the financial statements for the year ended 30 June 2013

6. Profit from Discontinued Operations (continued)

(a) Details of operations disposed (continued)

2. The Deed Administrator satisfied creditor's claims under the Creditors Trust Deed, with all other liabilities and obligations of the Company being comprised under the DoCA;
3. The Company confirmed retention of some of the Company's existing business assets (unencumbered) relating to Awesome Water and Awesome Entertainment businesses; and
4. The DoCA terminated.

(b) Financial performance of operations disposed

	2013	2012
	$	$
Carrying value of Net Liabilities of Allied Consolidated Limited	33,117,327	-
Net proceeds received from disposal	-	-
Net result for the year	(787,164)	-
Net gain on disposal of operations	32,330,163	-

(c) Cashflows from disposal of operation

Consideration received **$463,000**

7. Income Tax

	Consolidated	
	2013	2012
	$	$
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continued operations	(632,611)	(661,783)
Profit from discontinued operations	32,330,163	-
	31,697,552	-
Tax at the Australian corporate tax rate of 30%	9,509,266	(198,535)
Tax effect of amounts which are not deductible (taxable) income:	(9,699,049)	198,535
Tax effects of amounts which are deductible (taxable) income:	-	-
Tax losses not recognised	189,783	-
Total income tax (expense)/benefit in income statement	-	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	(632,611)	(661,783)
Potential tax benefit at 30%	189,783	198,535

Tax losses related to the entity prior to the reconstruction that were not used and have been lost. Current tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are no deferred tax liabilities.

7. **Income Tax (continued)**

(c) Deferred income tax

	Consolidated 2013 $	Consolidated 2012 $
Deferred income tax at 30 June 2013 relates to the following:		
Deferred Tax Liabilities		
Deferred tax assets used to offset deferred tax liabilities	-	-
	-	-
Deferred Tax Assets		
Current year tax losses available to offset against future taxable income	-	5,684,226
Deferred tax assets not brought to account	-	(5,684,226)
	-	-

8. **Cash and cash equivalents**

	Consolidated 2013 $	Consolidated 2012 $
Cash at bank and on hand	945,379	13,894
	945,379	13,894

9. **Other intangible assets**

	Patents $	Intellectual Property $	Development Costs $	Total $
Gross Carrying amount				
Balance as per 1 July 2012	-	50,000	-	50,000
Additions	-	30,000	-	30,000
Accumulated amortisation and impairment	-	-	-	-
Net book value	-	**80,000**	-	**80,000**

Impairment Testing

The ultimate recovery of the value of the entity's intangible assets is primarily dependent on the achievement of sales forecast or, alternatively, realisation by sale. An impairment test was prepared on the financial projections prepared by the entity and has been based on the best-estimate assumptions of the entity's management.

The intangible assets have been written down to their estimated realisable value as determined by the Directors.

Notes to the financial statements for the year ended 30 June 2013

10. Property, Plant and Equipment

Reconciliation of carrying amounts at the beginning and end of the period

Consolidated 2013	Plant & Equipment $	Leased Plant & Equipment $	Total $
Year ended 30 June 2013			
At 1 July 2012 net of accumulated depreciation and impairment	-	-	-
Disposal (net)	-	-	-
At 30 June 2013 net of accumulated depreciation and impairment	-	-	-
At 30 June 2013	5,000	-	5,000
Opening Cost	-	-	-
Additions during the year	5,000	-	5,000
Accumulated depreciation and impairment	-	-	-
Net carrying amount	**5,000**	**-**	**5,000**

11. Trade and other receivables

	Consolidated 2013 $	Consolidated 2012 $
Current		
Trade receivables	-	282,282
Goods & Services Tax Receivable	38,993	-
	38,993	282,282

Receivables have been recorded at their recoverable values.
None of the receivables are past due or impaired.

12. Security Deposits

	Consolidated 2013 $	Consolidated 2012 $
Current	75,000	-
	75,000	-

The deposit was paid to PayCorp Holdings Pty. Ltd. in regards to a merchant facility.

13. Other assets

	Consolidated 2013 $	Consolidated 2012 $
Formation Costs	600	-
	600	-

14. Secured Creditors

	Consolidated	
	2013	2012
	$	$
Current	-	17,186,564
	-	17,186,564

The prior year short-term borrowings have been satisfied by the Deed Administrator via the Creditors Trust Deed in this period.

15. Priority Unsecured

	2013	2012
	$	$
Current	-	482,065
	-	**482,065**

The prior year short-term borrowings have been satisfied by the Deed Administrator via the Creditors Trust Deed in this period.

16. Unsecured Creditors

	Consolidated	
	2013	2012
	$	$
Current	161,378	15,448,698
	161,378	15,448,698

The prior year short-term borrowings have been satisfied by the Deed Administrator via the Creditors Trust Deed in this period.

17. Remuneration of auditors

	Consolidated	
	2013	2012
	$	$
During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Company:		
Audit services		
Audit and review of financial report and other audit work under the *Corporations Act 2001*	35,000	-
Non-audit services		
Other services provided	9,306	-
Total remuneration for audit and other services	44,306	-

The auditors of Allied Consolidated Limited (formerly Allied Brands Limited) are Stantons International.

Notes to the financial statements for the year ended 30 June 2013

18. Contributed equity

(a) Issued share capital

	Consolidated 2013 Shares	Consolidated 2012 Shares
Ordinary shares fully paid	**309,829,051**	211,402,957

(b) Movement in ordinary share capital

Date	Details	Number of shares	$
01/07/2011	Opening balance	211,402,957	36,755,860
30/06/2012	Balance at the end of the year	211,402,957	36,755,860

Date	Details	Number of shares	$
01/07/2012	Opening balance	211,402,957	36,755,860
19/03/2013	Share consolidation 1:15	(197,308,906)	-
19/03/2013	Issued during the year	295,735,000	2,057,850
	Less: Capital raising costs		(118,461)
30/06/2013	Balance at the end of the year	309,829,051	38,695,249

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands or on a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

19. Reserves

(a)	2013 Options	2013 $	2012 Options	2012 $
Other reserves	-	-	-	(116,304)
Options at the end of the year	60,369,659	1,500	5,544,815	-
Reserves	60,369,659	1,500	5,544,815	(116,304)

(b) Movement in options

Date	Details	Number of Options	Fair Value / Issue Price	$
1 July 2011	Opening Balance	5,544,815		-
	Issued during the year	-		-
30 June 2012	**Balance at the end of the year**	**5,544,815**		-

Date	Details	Number of Options	Fair Value / Issue Price	$
1 July 2012	Opening Balance	5,544,815		-
19 March 2013	Consolidation 15:1	(5,175,156)		-
19 March 2013	Issued during the year	60,000,000	0.0025 cents	1,500
30 June 2013	**Balance at the end of the year**	**60,369,659**		**1,500**

19. Reserves (continued)

The terms of the options issued 19 March 2013 are as follows:

(1) Each Option gives the optionholder the right to subscribe for one (1) share. To obtain the right given by each Option, the optionholder must exercise the Options in accordance with these terms and conditions.

(2) The Options will expire at 5.00pm (WST) on 31 December 2014 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(3) The amount payable upon the Expiry Date will be $0.01 (Exercise Price).

(4) The Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(5) Optionholders may exercise their Options by lodging with the Company, before the Expiry Date:

A written notice of exercise of Options specifying the number of Options being exercised; and

A cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.

(6) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(7) Within ten (10) business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of shares under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(8) The Options are not transferable except with the prior written consent of the board of directors of the Company.

(9) All shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other shares.

(10) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all shares allotted pursuant to the exercise of the Options on ASX within ten (10) business days after the date of allotment of those Shares.

(11) If at any time the issued capital of the company is reconstructed, all rights of the optionholders are to be changed in a manner consistent with the Corporations Act 2001 and the ASX Listing Rules at the time of the reconstruction.

(12) There are no participating rights or entitlements inherent in the Options and the optionholder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) business days after the issue is announced. This will give the optionholder the opportunity to exercise the Options prior to date for determining entitlements to participate in any such issue.

(13) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(14) In the event the company proceeds with a bonus issue of securities to shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the optionholder would have receive if the Option had been exercised before the record date for the bonus issue.

20. Commitments for expenditure

At the reporting date the company had committed to pay a security deposit of $75,000 to a third party.

Notes to the financial statements for the year ended 30 June 2013

21. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets.

22. Related Party transactions

Key management personnel

(a) Key management personnel compensation	2013 $	2012 $
Short-term employee benefits	78,307	-
Post-employment benefits	1,693	-
	80,000	**-**

Disclosures relating to key management personnel are set out in the detailed remuneration disclosures to the Directors' Report. Other than the directors, the Company had 5 employees as at 30 June 2013.

(b) Equity instrument disclosures relating to key management personnel

I. Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director, including their personally related parties, are set out below:

Director	Balance at the start of the year	Granted during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Adir Shiffman	-	4,525,000	-	4,525,000	4,525,000
John Kolenda	-	4,250,000	-	4,250,000	4,250,000
Kar Wing Ng	-	4,375,000	-	4,375,000	4,375,000
Michael Pollak	-	7,062,500	-	7,062,500	7,062,500
	-	20,212,500	-	20,212,500	20,212,500

No options are vested and un-exercisable at the end of the year.
There were no options granted during the reporting period as compensation.

II. Share holdings

The numbers of shares in the Company held during the financial year by each director, including their personally related parties, are set out below:

Director	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Adir Shiffman	-	16,500,000	-	16,500,000
John Kolenda	-	12,080,000	-	12,080,000
Kar Wing Ng	-	17,230,000	-	17,230,000
Michael Pollak	-	17,212,500	-	17,212,500
	-	63,022,500	-	63,022,500

Notes to the financial statements for the year ended 30 June 2013

23. Related party disclosure

(a) Key management personnel

Disclosures relating to key management personnel are set out in the detailed remuneration disclosures in the Directors' Report.

(b) Transactions with related parties

Disruptive Capital Pty. Ltd., a company associated with Messers Ng, Kolenda and Shiffman charged $81,578 (exclusive of GST) for corporate advisory services (2012: Nil). Of this, $40,003 was not paid in cash but paid via issuance of shares under the prospectus dated 6 February 2013.

Aura Partners Pty. Ltd., a company associated with Messers Ng and Kolenda charged $18,000 (exclusive of GST) for accounting services for the year (2012:Nil).

Prior to becoming a director, Mr Michael Pollak along with others formed a syndicate that agreed to pay $463,000 (by way of a loan to the Company) ("Syndicate Loan") to the Deed Administrator for the purposes of satisfying all creditor claims, liabilities and obligations of the Company being compromised under the DoCA. The Company repaid the Syndicate Loan upon the completion of capital raising. An amount of $54,458 of the Syndicate Loan outstanding to Mr Pollak was not repaid in cash to Mr Pollak, but via issuance of shares in the Company under the prospectus dated 6 February 2013.

(c) Outstanding Balances arising from sales/purchases of goods and services

Disruptive Capital Pty. Ltd. is owed $115,732 at the reporting date in relation to transactions with related parties.

24. Earnings Per Share

	30 June 2013 $	30 June 2012 $
Net profit/(loss) for the year	(632,611)	(661,783)
Profit from discontinuing operations	32,330,163	-
Profit/(loss) attributable to ordinary shareholders	31,697,552	(661,783)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share:	238,908,331	211,402,957
Adjustments for calculation of diluted earnings per share:		
Convertible notes and options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share:	238,908,186	211,402,957
Adjustments required to profit/(loss) attributable to ordinary shareholders for calculation of diluted earnings per share	-	-
Basic earnings/(loss) per share attributable to ordinary equity holders before one-off significant items	($0.003)	($0.003)
Basic earnings/(loss) per share attributable to ordinary equity holders	$0.135	($0.003)
Diluted earnings/(loss) per share attributable to ordinary equity holders before one-off significant items	($0.003)	($0.003)
Diluted earnings/(loss) per share attributable to ordinary equity holders	$0.135	($0.003)

25. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2013	2012
	$	$
Cash at bank and on hand	945,379	13,894
	945,379	13,894

(b) Reconciliation of loss for the period to net cash flows from operating activities

	Consolidated	
	2013	2012
	$	$
Profit (Loss) for the year	31,697,552	(661,783)
Adjustments for:		
Depreciation and amortisation	-	-
Bad and doubtful debts	-	-
Non cash movement in reserves	116,304	-
Operating profit before changes in operating assets and liabilities	31,813,856	(661,783)
(Increase)/Decrease in trade and other receivables	243,289	408,148
(Increase)/Decrease in deferred tax assets and liabilities	-	-
(Decrease)/Increase in trade and other payables net of payables held for sale	**(32,805681)**	-
(Decrease)/Increase in unearned income	-	-
(Decrease)/Increase in provisions and employee benefits	-	-
Net cash from/(used in) operating activities	(748,536)	(253,635)

26. Group entities

	Country of Incorporation	Interest 2013	Interest 2012
Parent			
Allied Consolidated Limited	Australia		
Subsidiary			
Disruptive Opportunities No.1 Pty. Ltd	Australia	100%	-
Awesome Water (Australia) Pty Ltd	Australia	100%	-

Notes to the financial statements for the year ended 30 June 2013

27. Events after balance sheet date

Since 30 June 2013, there has been no matter or circumstance that has arisen that has significantly affected, or may significantly affect:

1. The Group's operations in future financial years, or
2. The results of those operations in future financial years, or
3. The Group's state of affairs in future financial years.

28. Business Combination

(a) Summary of acquisition

On 4 June 2013 the Company registered Disruptive Opportunities No.1 Pty. Ltd (ACN 164 109 826), owning 100% of its issued capital. As announced to the ASX on 14 June 2013, Disruptive Opportunities No.1 Pty. Ltd. acquired 100% of the legal and beneficial interest in all of the operating assets and intellectual property of Check-In.com.au for $35,000 cash consideration.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration (refer (a) and (b) below):	
Cash paid	35,000
Total purchase consideration	**35,000**
The assets and liabilities recognised as a result of the acquisition are as follows:	
Plant and equipment	5,000
Intangible assets: customer database and e-commerce platform	30,000
Net identifiable assets acquired	35,000
Net assets acquired	**35,000**

There were no acquisitions in the year ended 30 June 2012.

(b) Purchase consideration – cash outflow

	2013	2012
	$	$
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	35,000	-
Outflow of cash - investing activities	35,000	-

Notes to the financial statements for the year ended 30 June 2013

29. Parent entity information

Statement of Financial Position

As at 30 June 2013

	Parent 2013 $
Current assets	
Cash and cash equivalents	945,379
Trade and other receivables	37,427
Loan receivable from subsidiary	131,328
Total current assets	**1,114,134**
Non-current assets	
Intangible assets	50,000
Total non-current assets	**50,000**
Total assets	**1,164,134**
Current liabilities	
Ordinary Unsecured	151,199
Total current liabilities	**151,199**
Total liabilities	**151,199**
NET ASSETS/(LIABILITIES)	**1,012,935**
Equity	
Issued capital	38,695,249
Reserves	1,500
Accumulated profit (losses)	(37,683,814)
TOTAL EQUITY	**1,012,935**
Profit of the parent entity	31,726,893
Total comprehensive loss of the parent entity	31,726,893

The Company has not guaranteed the debts of any of its subsidiaries.
The Company has no contingent liabilities.
The Company has no commitments for the acquisition of property, plant and equipment.

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report are set out below:

The shareholder information was applicable as at 30 August 2013:

(a) Substantial shareholders

The substantial shareholders are:

Name	Number Held	Percentage of Issued Shares
ACK PTY LTD <MARKOFF SUPERANNUATION FUND NO.2 A/C>	35,000,000	11.30
BEATH INVESTMENT SERVICES PTY LTD <NOTE HOLDERS A/C>	20,000,000	6.46
UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	17,212,500	5.56

(b) Voting rights

Ordinary shares

On a show of hands every member present at a meeting shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting right attached to options.

(c) Distributions of equity security holders

Category	Ordinary Fully Paid Shares	Percentage of Issued Capital
1-1,000	242,486	0.08
1,001 – 5,000	918,044	0.30
5,001 – 10,000	1,078,984	0.35
10,001 – 100,000	14,209,257	4.59
100,001 and over	293,380,280	94.69
Total	**309,829,051**	**100%**

There were 1,236 holders of less than marketable parcels of ordinary shares.

(d) Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Number Held	Percentage of Issued Shares
ACK PTY LTD <MARKOFF SUPERANNUATION FUND NO.2 A/C>	35,000,000	11.30%
BEATH INVESTMENT SERVICES PTY LTD <NOTE HOLDERS A/C>	20,000,000	6.46%
UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	17,712,500	5.56%
HOLLOWAY COVE PTY LTD <HOLLOWAY COVE S/F A/C>	12,000,000	3.87%
CAVEAU CAPITAL INVESTMENTS PTY LTD <CAVEAU CAPITAL INVEST A/C>	11,930,000	3.85%
AGEO HOLDINGS PTY LTD <AGEO FAMILY A/C>	11,000,000	3.55%
MRS YOW TING LEE + MR KAR WING NG <NG FAMILY S/F A/C>	10,930,000	3.53%
GEORGE VENTOURAS <GEORGE VENTOURAS FAMILY NO.1 A/C>	10,000,000	3.23%
BBHF PTY LTD <A SHIFFMAN FAMILY A/C>	9,600,000	3.10%
DARING INVESTMENTS PTY LTD <KOLENDA FAMILY A/C>	9,430,000	3.04%
MR REN HOR WONG	9,145,000	2.95%
OCEANVIEW SUPER FUND PTY LTD <OCEANVIEW SUPER FUND A/C>	7,000,000	2.26%
POLFAM PTY LTD <POLLAK SUPERANNUATION FUND A/C>	6,000,000	1.94%
BELLMAX GROUP PTY LTD	5,000,000	1.61%
KOLEET PTY LTD <KOLENDA FAMILY A/C>	5,000,000	1.61%
HAYDEN SCOTT	5,000,000	1.61%
RICKY WANG + MANDY WANG	5,000,000	1.61%
BGSP MANAGEMENT PTY LTD <BGSP SUPERANNUATION FUND A/C>	4,080,000	1.32%
DISRUPTIVE CAPITAL PTY LTD	4,000,000	1.29%
LEGATS PTY LTD <SIMON SZEWACH FAMILY A/C>	4,000,000	1.29%
Total	**201,827,500**	**65.14%**

Unquoted equity securities	Number on issue	Number of holders
Options issued to take up ordinary shares	60,369,659	33