

WAGNERS LISTCO GROUP

Special Purpose Accounts

For the years ended 30 June 2015, 30 June 2016, 30 June 2017

CONTENTS

	Page
Aggregated Statement of Profit or Loss and Other Comprehensive Income	1
Aggregated Statement of Financial Position	2
Aggregated Statement of Changes in Equity	3
Aggregated Statement of Cash Flows	4
Notes to the Aggregated Financial Statements	5 to 17
Directors' Declaration	18
Independent Audit Report	19

WAGNERS LISTCO GROUP

AGGREGATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Note	Aggregated Group		
		2015	2016	2017
		\$	\$	\$
Sales revenue	2	250,666,523	195,320,107	192,652,122
Direct material and cartage costs		(99,808,878)	(84,154,647)	(81,044,174)
Gross profit		150,857,645	111,165,460	111,607,948
Other income	2	8,385,504	4,673,908	5,509,291
Employee benefits		(53,761,360)	(33,018,850)	(31,845,769)
Depreciation		(21,508,175)	(17,403,865)	(13,586,904)
Net finance cost - external		(9,236,177)	(8,892,798)	(9,249,562)
Bad and doubtful debts		(6,030,259)	-	-
Fuel		(7,542,773)	(2,359,882)	(2,603,194)
Contract work and purchased services		(9,112,282)	(3,167,055)	(5,032,246)
Freight and postal		(2,437,498)	(983,175)	(1,354,347)
Legal and professional		(2,010,039)	(745,196)	(1,197,299)
Rent and hire		(10,509,162)	(6,489,166)	(6,656,447)
Repairs and maintenance		(11,308,348)	(7,561,094)	(6,897,763)
Travel and accommodation		(1,926,849)	(2,729,926)	(1,730,305)
Utilities		(3,537,904)	(3,831,836)	(4,106,857)
Other expenses	3	(7,878,658)	(5,070,080)	(5,850,092)
Fair value adjustment on derivative instruments		(3,714,400)	(2,657,448)	2,510,692
Impairment of property, plant and equipment		(13,921,495)	(3,519,308)	(26,746)
Onerous contract expense		-	-	(2,288,832)
Profit / (loss) before income tax		(5,192,230)	17,409,689	27,201,568
Income tax (expense) / credit	4	1,736,102	(4,471,187)	(8,178,693)
Profit / (loss)		(3,456,128)	12,938,502	19,022,875
Other comprehensive income (net of tax)				
Exchange differences		183,314	19,631	(152,643)
Impairment of quoted equities		(3,478,536)	-	-
		(3,295,222)	19,631	(152,643)
Total comprehensive income (loss) for the year		(6,751,350)	12,958,133	18,870,232

The accompanying notes form part of these financial statements.

WAGNERS LISTCO GROUP

AGGREGATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Note	Aggregated Group		
		2015	2016	2017
		\$	\$	\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	7,408,267	7,422,506	7,865,494
Trade and other receivables	6	32,035,375	23,121,535	28,264,066
Inventories	7	16,742,913	12,475,798	12,385,509
Other current assets	8	2,186,266	1,767,776	865,080
Non-current assets classified as held for sale	9	-	2,100,000	-
TOTAL CURRENT ASSETS		58,372,821	46,887,615	49,380,149
NON-CURRENT ASSETS				
Financial assets	10	6,413	6,393	6,314
Trade and other receivables	6	173,320	-	-
Property, plant and equipment	12	155,312,939	129,397,607	120,204,795
Investment properties	13	2,100,000	-	-
Deferred tax assets	14	11,963,777	7,805,234	6,360,505
Intangible assets	15	827,757	411,900	21,783
TOTAL NON-CURRENT ASSETS		170,384,206	137,621,134	126,593,397
TOTAL ASSETS		228,757,027	184,508,749	175,973,546
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	16	31,329,008	25,503,998	27,822,908
Financial liabilities	17	23,151,354	18,592,205	155,878,160
Current tax liabilities	14	4,395,814	967,392	8,481
Short-term provisions	18	3,452,865	4,046,830	6,780,048
TOTAL CURRENT LIABILITIES		62,329,041	49,110,425	190,489,597
NON-CURRENT LIABILITIES				
Financial liabilities	17	159,630,686	149,991,654	6,809,929
Deferred tax liabilities	14	633,687	688,949	529,315
Long-term provisions	18	1,356,143	495,131	442,299
TOTAL NON-CURRENT LIABILITIES		161,620,516	151,175,734	7,781,543
TOTAL LIABILITIES		223,949,557	200,286,159	198,271,140
NET ASSETS		4,807,470	(15,777,410)	(22,297,594)
EQUITY				
Share capital	19	269,598,893	269,598,893	269,598,893
Distributions to related party		(252,816,598)	(286,359,611)	(311,750,027)
Reserves	20	(10,942,817)	(10,923,186)	(11,075,829)
Retained earnings		(1,032,008)	11,906,494	30,929,369
TOTAL EQUITY		4,807,470	(15,777,410)	(22,297,594)

The accompanying notes form part of these financial statements.

WAGNERS LISTCO GROUP

AGGREGATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Share Capital	Distributions to related party	Reserves	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	269,598,893	(163,138,106)	(7,647,595)	2,424,120	101,237,312
Comprehensive Income					
Net profit (loss)				(3,456,128)	(3,456,128)
<i>Other comprehensive income - net of tax</i>					
Impairment of quoted equities held for resale			(3,478,536)		(3,478,536)
Movement in exchange fluctuation reserve			183,314		183,314
Total comprehensive income for the year	-	-	(3,295,222)	(3,456,128)	(6,751,350)
Distributions to related party		(89,678,492)			(89,678,492)
Balance at 30 June 2015	269,598,893	(252,816,598)	(10,942,817)	(1,032,008)	4,807,470
Comprehensive Income					
Net profit (loss)				12,938,502	12,938,502
<i>Other comprehensive income - net of tax</i>					
Movement in exchange fluctuation reserve			19,631		19,631
Total comprehensive income for the year	-	-	19,631	12,938,502	12,958,133
Distributions to related party		(33,543,013)			(33,543,013)
Balance at 30 June 2016	269,598,893	(286,359,611)	(10,923,186)	11,906,494	(15,777,410)
Comprehensive Income					
Net profit (loss)				19,022,875	19,022,875
<i>Other comprehensive income - net of tax</i>					
Movement in exchange fluctuation reserve			(152,643)		(152,643)
Total comprehensive income for the year	-	-	(152,643)	19,022,875	18,870,232
Distributions to related party		(25,390,416)			(25,390,416)
Balance at 30 June 2017	269,598,893	(311,750,027)	(11,075,829)	30,929,369	(22,297,594)

The accompanying notes form part of these financial statements.

WAGNERS LISTCO GROUP

AGGREGATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Note	Aggregated Group		
		2015	2016	2017
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		292,547,671	220,759,132	206,253,847
Payments to suppliers and employees		(252,707,872)	(164,982,064)	(160,723,815)
Interest received		678,310	364,367	52,332
Dividends received - associate companies		386,316	278,741	345,020
Finance costs		(9,442,934)	(8,846,507)	(8,911,761)
Income tax paid		(2,514,110)	(3,544,923)	(7,721,487)
Net cash provided by (used in) operating activities	24	28,947,381	44,028,746	29,294,136
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		14,756,281	3,155,959	2,172,202
Proceeds from sale of investment property		-	-	3,185,000
Payments for property, plant and equipment		(13,166,234)	(871,093)	(5,727,942)
Payments for other non-current assets		(433,396)	-	-
Payment for shares in other companies		(52)	-	-
Net cash provided by (used in) investing activities		1,156,599	2,284,866	(370,740)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		28,431,732	-	7,718,185
Distributions (to) from other related parties (net)		(85,906,255)	(29,962,525)	(25,652,205)
Loan repaid (to) by associated company		(473,719)	173,320	-
Repayment of borrowings		(31,668,416)	(16,510,168)	(10,546,387)
Net cash provided by (used in) financing activities		(89,616,658)	(46,299,373)	(28,480,407)
Net increase (decrease) in cash held		(59,512,678)	14,239	442,989
Cash at beginning of period		66,920,945	7,408,267	7,422,506
Cash at end of period		7,408,267	7,422,506	7,865,495

The accompanying notes form part of these financial statements.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently adopted for all the years prescribed unless otherwise stated. The financial report is a special purpose report prepared for the Group's internal requirements and for a proposed listing on the Australian Security Exchange.

Basis of Preparation

The report represents the aggregation of the Profit or Loss, Balance Sheets and Cash Flows of the companies listed in Note 11 as at 30 June 2015, 30 June 2016 and 30 June 2017 and the years ending on these dates.

The financial statements for the companies listed in Note 11 have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), as approved for for-profit entities reporting to members under the Corporations Act 2001.

No other disclosure requirements of Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied in the preparation of the financial statements.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the aggregated group has a working capital deficiency of \$141,109,448 as at 30 June 2017. The reason for the working capital deficiency at 30 June 2017 is due to bank bills and cash advances totaling \$145,320,900 being classified as current which have been renegotiated post year end.

The ability of the aggregated group to continue as a going concern is principally dependent upon one or more of the following conditions:

- The successful listing of its shares on the ASX, resulting in a material increase in equity from The Initial Public Offering.
- The ability of the aggregated group to secure an updated funding agreement from financiers for the listed group of companies.
- The continued ability of the aggregated group to derive positive cashflows from operating activities.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The companies within the aggregated group intend to list their shares on the ASX, resulting in a material increase in equity from the Initial Public Offering.
- A portion of raised capital from the Initial Public Offering will be used to reduce the total outstanding debt of the aggregated group.
- The aggregated group is in final discussions with financiers regarding a funding proposal for the listed group of companies.
- Subsequent to year end the aggregated group continues to derive positive cash flows.

Should the aggregated group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the aggregated group be unable to continue as a going concern.

Accounting Policies

a. Principles of Aggregation

A list of aggregated entities is contained in Note 11 to the financial statements. All aggregated entities have a June financial year end.

All inter-company balances and transactions between entities in the aggregated group, including any unrealised profits or losses, have been eliminated on aggregation.

b. Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Income Tax (continued)

Deferred tax is accounted for using the balance sheet 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 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 recognised in the statement of comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the aggregated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Inventories

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

d. Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Subsequent costs are included in the asset's carrying 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 aggregated entities and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

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

The depreciation rate used for each class of depreciable assets is:

Class of Fixed Asset	Useful Life (yrs)		
	2015	2016	2017
Buildings	25	25	25
Cement manufacturing plant	30	30	30
Aircraft	20	20	20
Plant & equipment	12	12	12
Motor vehicles	10	10	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Leases

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

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Operating lease incentives are recognised as a liability and amortised on a straight-line basis over the life of the lease term

f. Financial Instruments

The aggregated entities have adopted the recognition and measurement requirements of Australian Accounting Standard AASB 9 Financial Instruments with effect from 1 July 2013.

Classification and reclassification

The aggregated entities classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Measurement

At initial recognition the aggregated entities measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The aggregated entities subsequently measures all equity investments at fair value. Where the aggregated entity's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or as other revenue when the aggregated entities's right to receive payment is established and as long as they represent a return on investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the income statement as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Impairment

Assets carried at amortised cost

The aggregated entities assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Financial Instruments (continued)

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

g. Impairment of Assets

At each reporting date, the aggregated entities review the carrying values of their tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

h. Foreign Currency Transactions and Balances

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

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

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial result and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

i. Provisions

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

j. Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long-term obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Cash and Cash Equivalents

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

l. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Dividend revenue is recognised when the right to receive a dividend has been established.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive 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.

o. New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Company has decided against early adoption of these standards. The Company's assessment of the impact of these new standards and interpretations is set out below:

AASB 15 Revenue from Contracts with Customers

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Company has not yet evaluated the impact adoption of this standard will have.

AASB16 Leases

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The Company has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

p. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the aggregated entities.

Key estimate — Impairment

The aggregated entities assesses impairment at each reporting date by evaluating conditions specific to the aggregated entities that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The financial report was authorised for issue on by the board of directors.

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Aggregated Group		
	2015	2016	2017
	\$	\$	\$
Note 2: INCOME			
Sales of goods and service - external parties	239,608,428	192,301,448	187,406,659
Sales of goods and service - related parties	11,058,095	3,018,659	5,245,463
	<u>250,666,523</u>	<u>195,320,107</u>	<u>192,652,122</u>
OTHER INCOME			
Fuel rebates	1,766,996	938,830	1,063,062
Dividends received	386,316	278,741	345,020
Other income	1,338,676	482,336	371,075
Gain / (loss) on sale of assets	2,534,691	873,195	1,960,653
Asset utilisation fee charged to related parties	2,358,825	2,100,806	1,769,481
	<u>8,385,504</u>	<u>4,673,908</u>	<u>5,509,291</u>
Note 3: OTHER EXPENSES			
Maintenance	2,795,493	1,167,662	1,583,041
Insurance	1,354,881	1,143,419	832,586
Quality, Safety & Security	1,092,374	669,193	882,269
Motor Vehicles	830,041	685,919	610,726
Internet, Communication & Technology	613,217	376,495	315,987
Advertising & Promotion	382,185	106,171	157,897
Rates & Taxes	195,815	156,591	137,928
Other Expenses	614,653	764,630	1,329,658
	<u>7,878,658</u>	<u>5,070,080</u>	<u>5,850,092</u>
Note 4: INCOME TAX EXPENSE			
<i>Reconciliation of income tax expense to prima facie tax on operating profit</i>			
Profit before tax	(5,192,230)	17,409,689	27,201,568
Prima facie tax at 30%	(1,557,669)	5,222,907	8,160,470
Non-taxable foreign income	254,229	100,730	114,320
Effect of foreign tax rates on income tax expense	59,118	2,099	1,765
Non-deductable expenses	729	1,601	1,566
Other items	(492,509)	(856,150)	(99,428)
	<u>(1,736,102)</u>	<u>4,471,187</u>	<u>8,178,693</u>
Note 5: CASH AND CASH EQUIVALENTS			
CURRENT			
Cash on hand	8,989	6,663	22,246
Cash at bank	7,399,278	7,415,843	7,843,248
	<u>7,408,267</u>	<u>7,422,506</u>	<u>7,865,494</u>

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Aggregated Group			
	2015	2016	2017	
	\$	\$	\$	
Note 6: TRADE AND OTHER RECEIVABLES				
CURRENT				
Trade receivables - external	31,629,794	22,173,944	27,649,402	
Provision for impairment of receivables	(466,058)	(446,678)	(480,716)	
	<u>31,163,736</u>	<u>21,727,266</u>	<u>27,168,686</u>	
Other receivables	871,639	1,394,269	1,095,380	
	<u>32,035,375</u>	<u>23,121,535</u>	<u>28,264,066</u>	
NON-CURRENT				
Loans to associated companies	173,320	-	-	
	<u>173,320</u>	<u>-</u>	<u>-</u>	
Note 7: INVENTORIES				
CURRENT				
Raw materials and stores	13,436,405	9,602,370	9,193,486	
Work in progress	1,844,476	1,803,202	2,252,241	
Finished goods	1,462,032	1,070,226	939,782	
	<u>16,742,913</u>	<u>12,475,798</u>	<u>12,385,509</u>	
Note 8: OTHER ASSETS				
CURRENT				
Prepayments	1,177,966	1,104,937	759,117	
Fair value of derivative instruments	1,008,300	662,839	105,963	
	<u>2,186,266</u>	<u>1,767,776</u>	<u>865,080</u>	
Note 9: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE				
Investment property				
Land	-	2,100,000	-	
Note 10: FINANCIAL ASSETS				
Other investments at cost	6,413	6,393	6,314	
Note 11: AGGREGATED ENTITIES				
Companies included in this aggregation.				
	Country of	Percentage Owned		
	Incorporation	2015	2016	2017
		%	%	%
Wagners Holding Company Pty Ltd	Australia	100%	100%	100%
Wagners Queensland Pty Ltd	Australia	100%	100%	100%
Wagner Investments Pty Ltd	Australia	100%	100%	100%
Wagners Flyash Pty Ltd	Australia	100%	100%	100%
Wagners Australian Operations Pty Ltd	Australia	100%	100%	100%
Wagners Development Company Pty Ltd	Australia	100%	100%	100%
Wagners Concrete Pty Ltd	Australia	100%	100%	100%
Wagners Quarries Pty Ltd	Australia	100%	100%	100%
Wagners Transport Pty Ltd	Australia	100%	100%	100%

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 11: AGGREGATED ENTITIES (continued)	Country of Incorporation	Percentage Owned		
		2015 %	2016 %	2017 %
Wagners Oil & Gas Services Pty Ltd	Australia	100%	100%	100%
Wagners Industrial Services Pty Ltd	Australia	100%	100%	100%
Wagners Cement Pty Ltd	Australia	100%	100%	100%
Wagners Charter Pty Ltd	Australia	100%	100%	100%
Wagners International Operations Pty Ltd	Australia	100%	100%	100%
Wagners Global Projects Sdn Bhd	Malaysia	100%	100%	100%
Wagners Global Services (Malaysia) Sdn Bhd	Malaysia	100%	100%	100%
Wagners Services Mozambique Limiteda	Mozambique	98.75%	98.75%	98.75%
Wagners Global Ventures Sdn Bhd	Malaysia	100%	100%	100%
Wagners Global Services Mongolia LLC	Mongolia	100%	100%	100%
Wagners Concrete Mongolia LLC	Mongolia	100%	100%	100%
Wagners Global Services Panama Inc	Panama	100%	100%	100%
Wagners Plant and Equipment Ltd	Cyprus	100%	100%	100%
Wagners Composite Fibre Technologies Pty Ltd	Australia	100%	100%	100%
Wagners CFT Manufacturing Pty Ltd	Australia	100%	100%	100%
Wagners EFC Pty Ltd	Australia	100%	100%	100%

Note 12: PROPERTY, PLANT AND EQUIPMENT	Aggregated Group		
	2015 \$	2016 \$	2017 \$
Buildings & Improvements			
- at cost	274,854	265,677	194,714
Less accumulated depreciation	(148,866)	(147,987)	(43,216)
	125,988	117,690	151,498
Cement manufacturing plant, buildings & improvements			
- at cost	85,331,600	85,484,589	84,150,250
Less accumulated depreciation	(7,717,681)	(10,627,797)	(13,521,984)
	77,613,919	74,856,792	70,628,266
Aircraft			
- at cost	952,021	952,021	952,021
Less accumulated depreciation	(111,069)	(206,271)	(301,473)
	840,952	745,750	650,548
Plant and equipment			
- at cost	88,731,137	80,736,209	77,464,676
Less accumulated depreciation	(43,688,659)	(48,366,101)	(49,837,402)
	45,042,478	32,370,108	27,627,274
Motor vehicles			
- at cost	43,615,065	35,126,134	33,958,650
Less accumulated depreciation	(15,917,080)	(14,461,860)	(15,164,062)
	27,697,985	20,664,274	18,794,588
Assets under construction - at cost	3,991,617	642,993	2,352,621
	155,312,939	129,397,607	120,204,795

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 12: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts	Buildings & Improvements	Cement Plant	Aircraft
Carrying amount at 1 July 2014	947,468	41,899,289	6,515,610
Additions	35,309	38,046,852	2,979,097
Transfers from under construction & within ListCo	(277,807)	288,181	-
Transfers from (to) other Wagner companies	(200,835)	-	(3,205,272)
Exchange translation reserve	457	-	-
Impairment of assets	-	-	-
Depreciation	(19,235)	(2,620,403)	(275,634)
Disposals (written-down value)	(359,369)	-	(5,172,849)
Carrying amount at 30 June 2015	125,988	77,613,919	840,952
Additions	-	152,990	-
Transfers from under construction & within ListCo	-	-	-
Transfers from (to) other Wagner companies	-	-	-
Exchange translation reserve	-	-	-
Impairment of assets	-	-	-
Depreciation	(8,298)	(2,910,117)	(95,202)
Disposals (written-down value)	-	-	-
Carrying amount at 30 June 2016	117,690	74,856,792	745,750
Additions	-	(1,333,075)	-
Transfers from under construction & within ListCo	-	-	-
Transfers from (to) other Wagner companies	53,310	-	-
Exchange translation reserve	-	-	-
Impairment of assets	-	-	-
Depreciation	(17,902)	(2,895,075)	(95,202)
Disposals (written-down value)	(1,600)	(376)	-
Carrying amount at 30 June 2017	151,498	70,628,266	650,548

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 12: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts	Plant & Equipment	Motor Vehicles	Assets under Construction	TOTAL
Carrying amount at 1 July 2014	60,844,700	41,493,508	41,860,059	193,560,634
Additions	4,053,673	1,966,297	(33,936,106)	13,145,122
Transfers from under construction & within ListCo	3,747,911	-	(3,758,285)	-
Transfers from (to) other Wagner companies	(198,000)	-	(174,051)	(3,778,158)
Exchange translation reserve	122,790	46,556	-	169,803
Impairment of assets	(6,360,159)	(7,561,337)	-	(13,921,496)
Depreciation	(12,953,997)	(5,638,905)	-	(21,508,174)
Disposals (written-down value)	(4,214,440)	(2,608,134)	-	(12,354,792)
Carrying amount at 30 June 2015	45,042,478	27,697,985	3,991,617	155,312,939
Additions	452,457	34,154	232,891	872,492
Transfers from under construction & within ListCo	6,229	-	(6,229)	-
Transfers from (to) other Wagner companies	(1,399)	-	(3,575,286)	(3,576,685)
Exchange translation reserve	(4,870)	(329)	-	(5,199)
Impairment of assets	(1,238,871)	(2,280,438)	-	(3,519,309)
Depreciation	(10,583,801)	(3,806,449)	-	(17,403,867)
Disposals (written-down value)	(1,302,115)	(980,649)	-	(2,282,764)
Carrying amount at 30 June 2016	32,370,108	20,664,274	642,993	129,397,607
Additions	2,311,205	2,183,032	2,566,780	5,727,942
Transfers from under construction & within ListCo	857,152	-	(857,152)	-
Transfers from (to) other Wagner companies	-	-	-	53,310
Exchange translation reserve	(12,096)	-	-	(12,096)
Impairment of assets	(26,289)	(457)	-	(26,746)
Depreciation	(7,192,100)	(3,409,898)	-	(13,610,177)
Disposals (written-down value)	(680,706)	(642,363)	-	(1,325,045)
Carrying amount at 30 June 2017	27,627,274	18,794,588	2,352,621	120,204,795

Aggregated Group

2015	2016	2017
\$	\$	\$

Note 13: INVESTMENT PROPERTY

Investment property
Land

2,100,000	-	-
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Note 14: TAX ASSETS AND LIABILITIES

a. Assets

NON-CURRENT

Deferred tax assets

11,963,777	7,805,234	6,360,505
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Made up of:

Income tax losses carried forward to future years

3,864,890	84,691	-
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Temporary differences

8,098,887	7,720,543	6,360,505
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11,963,777	7,805,234	6,360,505
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b. Liabilities

CURRENT

Income tax liability

4,395,814	967,392	8,481
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NON-CURRENT

Deferred tax liabilities

633,687	688,949	529,315
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WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Aggregated Group		
	2015	2016	2017
	\$	\$	\$
Note 15: INTANGIBLE ASSETS			
Borrowing Costs			
Cost	1,247,568	1,247,568	1,247,568
Accumulated amortisation	(419,811)	(835,668)	(1,225,785)
	<u>827,757</u>	<u>411,900</u>	<u>21,783</u>
Note 16: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables - external	10,966,785	16,748,537	19,817,139
Income received in advance	7,268,840	1,626,769	1,100,000
Sundry payables and accrued expenses	13,093,383	7,128,692	6,905,769
	<u>31,329,008</u>	<u>25,503,998</u>	<u>27,822,908</u>
Note 17: FINANCIAL LIABILITIES			
CURRENT			
Bank bills - secured	3,962,700	2,641,800	145,320,900
Fair value of hedge contracts	5,263,700	7,575,687	4,508,119
Hire purchase and chattel mortgages	13,924,954	8,374,718	6,049,141
	<u>23,151,354</u>	<u>18,592,205</u>	<u>155,878,160</u>
NON-CURRENT			
Bank bills - secured	144,000,000	144,000,000	-
Hire purchase and chattel mortgages	15,630,686	5,991,654	6,809,929
	<u>159,630,686</u>	<u>149,991,654</u>	<u>6,809,929</u>
Total current and non-current secured liabilities:			
Bank bills	147,962,700	146,641,800	145,320,900
Fair value of hedge contracts	5,263,700	7,575,687	4,508,119
Hire Purchase & Chattel Mortgage	29,555,640	14,366,372	12,859,070
	<u>182,782,040</u>	<u>168,583,859</u>	<u>162,688,089</u>
The secured bank bills are secured by registered mortgages over a pool of properties and a floating charge over all of the assets of the companies included in these financial statements and other related companies.			
Note 18: PROVISIONS			
CURRENT			
Employee benefits	3,215,650	3,809,615	4,254,002
Other - including onerous contracts provision (2017)	237,215	237,215	2,526,046
	<u>3,452,865</u>	<u>4,046,830</u>	<u>6,780,048</u>
NON-CURRENT			
Employee benefits	<u>1,356,143</u>	<u>495,131</u>	<u>442,299</u>
Note 19: SHARE CAPITAL			
416,269 (2016: 416,269; 2015: 416,269) fully paid ordinary shares	<u>269,598,893</u>	<u>269,598,893</u>	<u>269,598,893</u>

WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

	Aggregated Group		
	2015	2016	2017
	\$	\$	\$
Note 20: RESERVES			
Fair value reserve	(10,815,866)	(10,815,866)	(10,815,866)
Foreign exchange reserve	(126,951)	(107,320)	(259,963)
	<u>(10,942,817)</u>	<u>(10,923,186)</u>	<u>(11,075,829)</u>

Fair Value Reserve

As explained in Note 1, the aggregated group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in a separate reserve within equity. The aggregated group does not have any policy on transferring from this reserve to another reserve or to retained earnings when the relevant equity securities are sold.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign controlled subsidiaries.

Note 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Certain aggregated entities are party to a financing arrangement that provides funding to certain companies within the Wagner Group Holdings Pty Ltd Group. Under that arrangement certain aggregated entities have given a fixed charge over their property and a floating charge over all of their other assets and agreed to guarantee bank facilities of certain related entities. The aggregated entities have no liability that is not already recorded in the aggregated financial statements.

Note 22: CAPITAL AND LEASING COMMITMENTS

a. Hire Purchase, Chattel Mortgage and Leasing Commitments

Payable - minimum lease			
- not later than 12 months	15,226,514	8,962,495	6,630,901
- between 12 months and 5 years	16,730,536	6,401,632	7,091,600
Minimum lease payments	<u>31,957,050</u>	<u>15,364,127</u>	<u>13,722,501</u>
Less future finance charges	(2,401,410)	(997,755)	(863,431)
Present value of minimum lease payments	<u>29,555,640</u>	<u>14,366,372</u>	<u>12,859,070</u>
Current liability	13,924,954	8,374,718	6,049,141
Non-current liability	15,630,686	5,991,654	6,809,929
	<u>29,555,640</u>	<u>14,366,372</u>	<u>12,859,070</u>

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised			
- not later than 12 months	335,198	-	184,360
- between 12 months and 5 years	1,515,614	1,389,411	1,639,288
- greater than 5 years	29,230,940	28,813,403	28,379,165
	<u>31,081,752</u>	<u>30,202,814</u>	<u>30,202,813</u>

c. Capital expenditure in respect of purchase of property,

Less than 12 months	<u>98,833</u>	<u>4,703</u>	<u>2,616,479</u>
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WAGNERS LISTCO GROUP

NOTES TO THE AGGREGATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Note 23: RELATED PARTY DISCLOSURES

AGGREGATED GROUP

Details of entities included in the aggregated group are set out in note 11.

Entities within the aggregated group frequently enter into transactions between themselves. These transactions, which are all on commercial terms, includes principally the sales of good & services and leasing of plant & equipment. Transactions between entities of the aggregated group are eliminated on aggregation.

ASSOCIATED ENTITIES

Aggregated group entities regularly conduct business with other associated entities within the Wagners group of companies, which are conducted on the basis of normal commercial trading terms and conditions as agreed between the parties. Such transactions include principally the sales of materials & services to other associated companies (2015: \$3,834,274; 2016: \$1,024,831; 2017: \$3,405,311) and the payment for property rent and royalties from other associated companies (2015: \$3,503,443; 2016: \$3,622,537; 2017: \$3,692,021).

DIRECTOR & RELATED ENTITIES TRANSACTIONS WITH THE AGGREGATED GROUP

Transactions entered into between aggregated group entities and Directors & Director-related entities are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions. These transactions include:

- Sales of goods and services by aggregated group entities (2015: \$341,460; 2016: \$350,477; 2017: \$386,644)
- Plant and equipment hire charges from director-related entities (2015: \$744,628; 2016: \$229,517; 2017: \$214,986)
- Accommodation services provided by director related entities (2015: \$390,212; 2016: \$609,129; 2017: \$328,335)
- Plant and equipment purchased from director-related entities (2017: \$1,200,000)

	Aggregated Group		
	2015	2016	2017
	\$	\$	\$
Note 24: CASH FLOW INFORMATION			
Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit / (loss) after income tax	(3,456,128)	12,938,502	19,022,875
Non-cash flows in profit			
- Depreciation and amortisation of:			
Property, plant & equipment	21,508,175	17,403,865	13,601,514
- Impairment of property, plant & equipment	13,921,495	3,519,308	26,746
- Fair value adjustments	3,714,400	2,657,448	(2,510,692)
- Borrowing Costs	455,988	415,856	390,117
- Net (gain) / loss on disposal of non-current assets	(2,534,691)	(873,195)	(1,960,653)
- Asset utilisation fee charged to related parties	(2,358,825)	(2,100,806)	(1,769,481)
- Bad & doubtful debts	6,030,259	-	-
- Onerous contract expense	-	-	2,288,832
- (Sales) / purchases from other related parties [net]	(1,510,847)	1,601,676	(971,055)
Changes in assets and liabilities			
- (Increase) decrease in trade and term debtors	16,883,176	9,087,161	(5,142,531)
- (Increase) decrease in other assets	1,027,399	418,489	902,696
- (Increase) decrease in inventories	3,298,061	4,267,115	90,289
- Increase (decrease) in payables	(22,362,243)	(5,825,010)	2,318,910
- Increase (decrease) in income taxes payable	(1,414,826)	(3,428,422)	(958,912)
- Increase (decrease) in deferred taxes payable	(2,835,476)	4,213,805	1,285,095
- Increase (decrease) in provisions	(1,418,537)	(267,047)	2,680,386
Cash flows from operations	28,947,380	44,028,746	29,294,136

WAGNERS LISTCO GROUP

DIRECTORS' DECLARATION

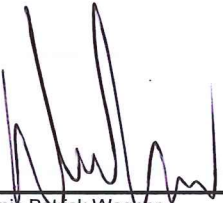
The directors have determined that the Group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

I declare that the financial statements as set out on pages 1 to 17:

- a. comply with Accounting Standards as described in Note 1 to the financial statements;
- b. fairly represent the financial positions of the Group as at 30 June 2015, 30 June 2016 & 30 June 2017 and its financial performance for the years ended on those dates in accordance with the accounting policies described in Note 1 to the financial statements.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Denis Patrick Wagner

Dated this

7 November 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Wagners Holding Company Pty Ltd and aggregated entities (Together known as the Wagners Listco Group)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wagners Holding Company Pty Ltd and aggregated entities (the Wagners Listco Group), which comprises the aggregated statement of financial position as at 30 June 2015, 30 June 2016 and 30 June 2017, the aggregated statement of profit or loss and other comprehensive income, the aggregated statement of changes in equity and the aggregated statement of cash flows for the year's then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Wagners Listco Group as at 30 June 2015, 30 June 2016 and 30 June 2017 and of its financial performance and its cash flows for the year's then ended in accordance with the basis of accounting described in Note 1.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Directors of Wagners Holding Company Pty Ltd apply for listing on the Australian Securities Exchange. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Directors of Wagners Holding Company Pty Ltd, and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Wagners Listco Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Wagners Listco Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



D P Wright
Director

Brisbane, 8 November 2017