COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

DIRECTORS REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2012

In accordance with a resolution of the Directors dated 12 December 2012 the Directors of the Company have pleasure in reporting on the company for the financial year ended 30 September 2012 and the state of affairs as at 30 September 2012.

The Directors of the company in office at the date of this report are:

Richard Rees Delwyn Garland Rees

PRINCIPAL ACTIVITIES:
The principal activity of Cooks Body Works Pty Ltd during the year remained unchanged with the company continuing to trade as a commercial vehicle body manufacturer.

DIVIDENDS:
No dividends were paid or recommended since the end of the previous financial year.

REVIEW OF OPERATIONS:
Cooks Body Works Pty Ltd has continued to experience difficult trading conditions with inconsistent customer demand and competition from imports supported by the strong Australian dollar.

Cook's management have worked on expansion of the customer base and product offering to improve sale and margin performance of the business.

REVIEW OF FINANCIAL POSITION
The directors refer readers to the financial statements including, statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows, in relation to the company's financial position and comparison.

OPERATING RESULTS:
The net loss, after crediting income tax of $385,993 (2011 crediting income tax $363,487) amounted to $492,538 (2011 net loss of $542,121).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:
There have been no significant changes in the state of affairs of the company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:
No other matters or circumstances, except as detailed above, have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the company and the results of these operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 September 2012.

FUTURE DEVELOPMENTS:
No information has been included on the likely developments of the Company as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the Company.

ENVIRONMENTAL ISSUES:
There is no significant effect of current environmental legislation on the organisation.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to begin proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent of the policy limits with a current $7,500,000 in aggregate for all claims per twelve months.
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2012 is included on page 6 of the Annual Report.

OPTIONS

No options over shares or interest in the group have been taken up during the period, or are outstanding at the end of the period.

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid, by the company and any related company during the year, to Directors and executives with a breakdown into salaries, bonuses, superannuation and other benefits.

No equity component of remuneration is provided but board policy is to encourage directors and executives to purchase shares in the holding company on the stock exchange with the objective of long term investment.

Name	Office	Salary/Bonus $		Super $		Benefits $		Total $	
		2012	2011	2012	2011	2012	2011	2012	2011
D.G. Rees	Director	60,000	60,000	-	-	-	-	60,000	60,000
R. Rees	Director	268,759	260,012	50,000	50,000	40,000	40,000	358,759	350,012
C. Theodoropoulos	Executive	170,000	170,000	15,300	15,300	-	-	185,300	185,300

The above table represents the remuneration received from all companies in the group.

Signed in accordance with a resolution of the Directors made pursuant to S.298 (2) of the Corporations Act 2001.

On behalf of the Directors

RICHARD REES

DELWYN GARLAND REES

Moorabbin, 12 December 2012

Hayes Knight Audit
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Registered Audit Company 291969

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF COOK'S BODY WORKS PTY LTD

Report on the Financial Report

We have audited the accompanying financial report of Cook's Body Works Pty Ltd, which comprises the statement of financial position as at 30 September 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of Cook's Body Works Pty Ltd.

Auditor's Opinion

In our opinion the financial report of Cook's Body Works Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 September 2012 and of its performance of the year ended on that date; and

(b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 12 day of December 2012

DIRECTORS' DECLARATION

The directors declare that:

a) The attached financial statements and notes (pages 7 to 23) thereto comply with accounting standards;

b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company.

c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*; and

d) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as the parent company has agreed to repayment of loans as outlined in Note 1.

Signed, in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Mr. R. Rees
Director

Mr. D. G. Rees
Director

Moorabbin,
12 December 2012

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Registered Audit Company 291969

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF COOK'S BODY WORKS PTY LTD

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

I. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

II. No contraventions of any applicable code of professional conduct in relation to the audit

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated this 12 day of December 2012

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2012

	NOTE	2012 $	2011 $
Revenues	2	2,329,085	2,654,515
Expenses	3	3,095,436	3,461,373
Finance Costs	3	112,180	98,750
Profit(loss) before income tax expense		(878,531)	(905,608)
Income tax expense/(revenue)	4	(385,993)	(363,487)
Profit(loss) after income tax expense		(492,538)	(542,121)
Other Comprehensive Income			
Net gain/(loss) on revaluation of Assets available for sale		(567)	-
Other comprehensive income		(567)	-
Total Comprehensive Income/(Loss)		(493,105)	(542,121)

Notes to and forming part of the accounts are set out on pages 11 to 23.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	NOTE	2012 $	2011 $
CURRENT ASSETS			
Cash assets	19	83,187	(33,817)
Receivables	5	265,670	273,259
Inventories	6	475,051	523,836
Income tax receivable	5	301,938	294,870
TOTAL CURRENT ASSETS		1,125,846	1,058,148
NON-CURRENT ASSETS			
Property, Plant and equipment	7	68,777	72,036
Other financial assets	8	23,991	24,801
Deferred tax assets	9	125,260	57,283
TOTAL NON-CURRENT ASSETS		218,028	154,120
TOTAL ASSETS		1,343,874	1,212,268
CURRENT LIABILITIES			
Payables	10	4,547,784	3,948,934
Provisions	11	194,732	168,871
TOTAL CURRENT LIABILITIES		4,742,516	4,117,805
NON-CURRENT LIABILITIES			
Payables	12	400,000	400,000
TOTAL NON-CURRENT LIABILITIES		400,000	400,000
TOTAL LIABILITIES		5,142,516	4,517,805
NET LIABILITIES		(3,798,642)	(3,305,537)
EQUITY			
Issued Capital	13	290,000	290,000
Reserves		(567)	-
Retained profit (loss)		(4,088,075)	(3,595,537)
TOTAL EQUITY		(3,798,642)	(3,305,537)

Notes to and forming part of the accounts are set out on pages 11 to 23.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Issued Capital	Reserves	Retained Earnings	Total Equity
Balance at October 1, 2010	290,000	-	(3,053,416)	(2,763,416)
Net profit (loss) for the period	-	-	(542,121)	(542,121)
Balance at September 30, 2011	290,000	-	(3,595,537)	(3,305,537)
Net profit (loss) for the period	-	-	(492,538)	(492,538)
Other comprehensive income	-	(567)	-	(567)
Balance September 30, 2012	290,000	(567)	(4,088,075)	(3,798,642)

Notes to and forming part of the accounts are set out on pages 11 to 23.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2012

	NOTE	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,415,449	3,091,612
Payment to suppliers and employees		(2,549,325)	(3,426,348)
Interest received		2,237	3,243
Interest paid		-	-
Dividend received		1,714	1,714
Net cash (used in) operating activities	19(ii)	(129,925)	(329,779)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(29,643)	(40,898)
Cash paid for investments		-	-
Net cash (used in) investing activities		(29,643)	(40,898)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) borrowings		276,572	320,430
Net cash provided by(used in) financing activities		276,572	320,430
Net increase/(decrease) in cash held		117,004	(50,247)
Cash as at 1 October 2011		(33,817)	16,430
Cash as at 30 September 2012	19(i)	83,187	(33,817)

Notes to and forming part of the accounts are set out on pages 11 to 23.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*.

Cooks Body Works Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, including Australian accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board & *The Corporations Act 2001*.

The financial report of Cooks Body Works Pty Ltd complies with Australian Accounting Standards. Material accounting policies adopted in the preparation of these statements are stated below & were consistently applied unless otherwise stated.

The financial statements were authorised for issue on 12 December 2012 by the directors of the company.

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.

Accounting Policies

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

(A) Significant Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

In addition to the accounting policies prescribed by applicable Accounting Standards, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(B) Property, Plant and Equipment

Depreciation has been charged in the accounts using either the straight line or reducing balance method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset. The following estimated useful lives are used in the calculation of depreciation. Plant and equipment 4 – 8 years.

(C) Inventories

The Company has:

(i) Valued stocks at the lower of cost and net realisable value.

(ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and

(iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(D) Research and Development Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(E) Employee Entitlements

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.
Provisions made in respect of annual leave and long service leave, expected to be settled within 12 months and after 12 months are measured at their nominal values plus related on costs.

(F) Comparative Figures

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

(G) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(H) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceed recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(I) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(J) Provision for Warranties

Provision is made in respect of the company's estimated liability on products under warranty at balance date.

(K) Revenue

Revenue from the sale of goods is recognised upon delivery and invoicing of goods to customers. Interest & dividend revenue is recognised on receipt

(L) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

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 credited in 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 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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Cooks Body Works Pty Ltd, which is a wholly-owned Australian subsidiary company, is a member of an income tax consolidated group under the tax consolidation regime. Cooks Body Works Pty Ltd recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of the entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from October 1, 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(M) 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 company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to 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.

(N) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or 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. Realised and unrealised gains and losses arising from change in fair value are included in profit or loss in the period in which they arise.

(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 using the effective interest rate method.

(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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 $	2011 $
Note 2. Revenue		
Operating:		
Sales Revenue	2,322,493	2,636,866
Dividends		
-Other Corporations	1,714	1,714
Interest Received	2,237	3,243
Other revenue	2,641	12,692
Total revenue	2,329,085	2,654,515

	2012 $	2011 $
Note 3. Expenses		
(a) Operating profit before income tax has been determined after:		
Cost of goods sold	1,615,531	1,750,458
Overheads	1,142,625	1,312,876
Administration expenses	194,034	234,766
Selling expenses	143,246	163,273
Finance expenses	112,180	98,750
Total expense	3,207,616	3,560,123
Depreciation of:		
- Plant and equipment	32,904	38,024
(b) Net transfers to (from) provisions for:		
- Employee entitlements	(25,861)	(26,885)
(c) Significant revenues and expenses		
- Research and Development costs	263,678	195,591

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 $	2011 $
Note 4. Income Tax Expense		
(a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows.		
Operating profit (loss) before income tax	(878,531)	(905,608)
Prima Facie income tax expense applicable to operating profit at 30% (2011 30%)	(263,559)	(271,682)
Add/Deduct tax effect of:		
Permanent differences		
Research and Development Expenditure	(118,655)	(14,669)
Tax offsets/rebates	(515)	220
Reclassification of brought forward timing differences and overprovision for tax	(3,264)	(77,356)
Income Tax Expense per Accounts	(385,993)	(363,487)
The applicable weighted avg effective tax rates	0%	0%
Note 5. Current Receivables		
Trade receivables	260,355	270,393
Other receivables	5,315	2,866
	265,670	273,259
Current income tax receivable	301,938	294,870
	301,938	294,870
Note 6. Inventories		
Raw Material	374,487	34,792
Work in progress	56,800	406,105
Finished goods	43,764	82,939
	475,051	523,836
Note 7. Plant and Equipment		
Plant and machinery at cost	493,272	491,207
Less: Accumulated depreciation	(478,581)	(470,069)
	14,691	21,138
Furniture and fittings	36,729	36,084
Less: Accumulated depreciation	(21,618)	(16,577)
	15,111	19,507
Office machines and equipment	96,881	87,948
Less: Accumulated depreciation	(76,760)	(62,792)
	20,121	25,156
Motor Vehicles	103,385	85,384
Less: Accumulated depreciation	(84,531)	(79,149)
	18,854	6,235
TOTAL PLANT AND EQUIPMENT	68,777	72,036

Note 7. Plant and Equipment (cont.)

Movements in the carrying amounts for plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment
Balance at 1October 2011	72,036
Additions	29,645
Disposals	
Depreciation expense	(32,904)
Balance at 30 September 2012	68,777

Movements in the carrying amounts for plant and equipment between the beginning and the end of the previous financial year.

	Plant and Equipment
Balance at 1October 2010	69,163
Additions	40,897
Disposals	
Depreciation expense	(38,024)
Balance at 30 September 2011	72,036

	2012 $	2011 $
Note 8. Non-Current Other Financial Assets		
Shares at cost:		
In company under common control	1	1
In other listed companies	23,990	24,800
	23,991	24,801
Note 9. Non-Current Deferred Tax Assets		
Deferred Tax Assets	125,260	57,283
	125,260	57,283
Note 10. Current Payables		
Unsecured		
Trade creditors	216,045	304,266
Sundry creditors	174,075	47,341
Amounts payable to Chief Entity	4,157,664	3,597,327
	4,547,784	3,948,934

Note 11. Current Provisions

	Annual Leave	Long Service Leave	Provision for Warranty	Total
Opening Balance at 1 October 2011	87,422	41,449	40,000	168,871
Additional provisions	43,817	15,741	0	59,557
Amounts used	(33,696)	-	0	(33,696)
Balance at 30 September 2012	97,543	57,189	40,000	194,732

	2012 $	2011 $
Note 12. Non-Current Payables		
Amount payable to Chief Entity (i)	400,000	400,000

(i) The loan from Sietel Ltd is secured by a registered debenture over all the assets and undertakings of the company

Note 13. Issued Capital

Issued capital 150,000 (2011 – 150,000) ordinary shares fully paid	290,000	290,000

Ordinary Shareholders are entitled to one vote per share

Note 14. Remuneration of Key Management Personnel

Income received or due and receivable by all directors of the company from the company and any related bodies corporate $604,059 (2011 $595,312).

The number of Directors whose income from the company and related bodies corporate was within the following bands.

	2012	2011
$ 0 - $ 269,999	2	2
$ 270,000 - $ 449,999	1	1
$ 450,000 - $ 499,999		
$1,600,000 - $ 1,699,999		

Retirement and Superannuation payments paid on retirement from office or to prescribed superannuation funds for provision of retirement benefits of Directors of the Company : $ 50,000 (2011 $50,000).

The names of the Directors who held office during the financial year:

Richard Rees Delwyn Garland Rees

	2012 $	2011 $
Note 15. Auditors Remuneration		
Amounts received or due and receivable by the company's auditors for:		
- Auditing the company accounts	16,158	13,200
- Other services	-	-

Note 16. Related Party Transactions

(a) Mr R. Rees and Mr D.G. Rees are directors of the company. Both are also a director of the chief entity, Sietel Limited.

(b) The following are the directors who held office during the year.
Richard Rees Delwyn Garland Rees

(c) The ultimate chief entity is Sietel Limited which owns 100% of Cooks Body Works Pty Ltd. Sietel Limited, has made a secured loan of $4,557,664 (2011 - $3,997,327) to the company in lieu of a bank bill facility with no set period of repayment, subject to no default.

(d) Chief Entity transactions:
- Personnel charges paid to Chief Entity $60,000 (2011 - $70,000).
- Interest paid to Chief Entity $90,000 (2011 - $98,750)
- Rent for premises paid to Chief Entity $273,000 (2011 - $261,000)
- Lease rentals for plant paid to Chief Entity $36,000 (2011 - $36,000)

(e) Sietel Ltd has provided the same undertakings in relation to the Company's $50,000 overdraft facility.

(f) Audit fees for this year were paid by the Chief Entity.

Note 17. Ultimate Chief Entity
The company is ultimately controlled by Sietel Limited which is incorporated in Australia.

Note 18. Segment Reporting
The company operated predominantly in Australia in the Manufacturing industry.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

Note 19. Notes To The Statement of Cash Flows

(i) Reconciliation of cash

for the purpose of the statement of cash flows cash includes:

1. Cash on hand and in at call deposits with banks or financial institutions.
2. Investments in money market instruments with less than 14 days to maturity.

	2012 $	2011 $
Cash at the end of year is shown in the balance sheet as:		
Cash on hand	83,187	1,610
Bank overdrafts	-	(35,427)
	83,187	(33,817)

(ii) Reconciliation of cash flows from operations with operating profit after income tax.

	2012 $	2011 $
Operating profit (loss) after income tax.	(492,538)	(542,121)
Cash flows in Operating Profit attributable to Non-Operating activities		
- Depreciation	32,903	38,024
- Income Tax	(74,802)	(52,064)
- Changes to provisions	284,605	(26,885)
- (Profit)/Loss on sale of Plant and Equipment	-	-
Changes in assets and liabilities		
- (Increase)/Decrease in trade debtors	4,723	174,410
- (Increase)/Decrease in inventories	48,786	12,023
- (Increase)/Decrease in provision for warranties	-	-
- Increase/(Decrease) in trade creditors	66,398	66,834
	(129,925)	(329,779)

Note 20. Superannuation Commitments

Cook's Body Works Pty Ltd pays the employer's contribution required by the Superannuation Guarantee Charge Act and any further salary sacrifice amounts or employee contributions, if instructed, to complying superannuation funds as selected by their employees.

The amount and time of payment of benefits by these various superannuation funds will be in accordance with the terms and conditions negotiated by each individual employee and are not guaranteed in any way by the company.

The company has a legal obligation to contribute to these superannuation funds in accordance with relevant requirements of the Superannuation Guarantee legislation.

	2012 $	2011 $
Note 21. Capital and leasing commitments		
Lease commitment to chief entity		
- Due within one year	-	-
- Due within one year but not later than five years	-	-
- Due after five years	-	-
Total	-	-
Capital expenditure commitment	Nil	Nil

Note 22. Financial Instruments

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

(b) Interest Rate Risk

The following details the company's exposure to interest rate risk as at the reporting date.

	2012 Average Interest Rate %	2012 Total $	2011 Average Interest Rate %	2011 Total $
Financial Assets				
Trade receivables (net)	-	265,670	-	273,258
Cash	0.0	83,187	0.0	(33,817)
		348,857		239,441
Financial Liabilities				
Trade Payables	-	216,045	-	304,266
Related Party Loans	-	4,557,664	-	3,997,327
Other liabilities	-	174,075	-	47,341
		4,947,784		4,348,934

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 September 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows for interest revenue.

	2012 $	**2011** $
Change in profit		
- Increase in interest rate by 1%	813	1,043
- Decrease in interest rate by 1%	0	0
Change in equity		
- Increase in interest rate by 1%	813	1,043
- Decrease in interest rate by 1%	0	0

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The company measures credit risk on a fair value basis.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

COOKS BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

Note 23 Company Details

The registered office of the company is:
140-144 Cochranes Road, Moorabbin VIC 3189

The principal place of business is :
140-144 Cochranes Road, Moorabbin VIC 3189

Note 24 New Accounting Standards for Application in Future Periods

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-Trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2013 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The consolidated entity is yet to quantify the tax effect of adopting these amendments from 1 July 2012.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that
significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in
an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013, The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

Note 24 New Accounting Standards for Application in Future Periods (Continued)

AASB 12 Disclosure of Interests in Other Entities
This standard is applicable to annual reporting periods beginning on or after 1 January 2013, It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation — Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)
These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011)
This revised standard is applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The adoption of the revised standard from 1 July 2013 will require increased disclosures by the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2013 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-9 Amendments to Australian Accounting Standards — Presentation of Items of Other Comprehensive Income
These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.