

MIRA INFORM REPORT

Report No. :	545815
Report Date :	21.12.2018

IDENTIFICATION DETAILS

Name :	QUEST FLOORING P/L
Registered Office :	43-55 Mark Anthony Drive, Dandenong South Vic, 3175
Country :	Australia
Financials (as on) :	31.03.2018
Date of Incorporation :	12.06.2015
Legal Form :	Australian Proprietary Company
Line of Business :	Manufacture of cut pile and loop pile carpets
No. of Employees :	97

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating : C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
Payment Behaviour :	Slow
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

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Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Australia	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

AUSTRALIA - ECONOMIC OVERVIEW

Australia is an open market with minimal restrictions on imports of goods and services. The process of opening up has increased productivity, stimulated growth, and made the economy more flexible and dynamic. Australia plays an active role in the WTO, APEC, the G20, and other trade forums. Australia's free trade agreement (FTA) with China entered into force in 2015, adding to existing FTAs with the Republic of Korea, Japan, Chile, Malaysia, New Zealand, Singapore, Thailand, and the US, and a regional FTA with ASEAN and New Zealand. Australia continues to negotiate bilateral agreements with Indonesia, as well as larger agreements with its Pacific neighbors and the Gulf Cooperation Council countries, and an Asia-wide Regional Comprehensive Economic Partnership that includes the 10 ASEAN countries and China, Japan, Korea, New Zealand, and India.

Australia is a significant exporter of natural resources, energy, and food. Australia's abundant and diverse natural resources attract high levels of foreign investment and include extensive reserves of coal, iron, copper, gold, natural gas, uranium, and renewable energy sources. A series of major investments, such as the US\$40 billion Gorgon Liquid Natural Gas Project, will significantly expand the resources sector.

For nearly two decades up till 2017, Australia had benefited from a dramatic surge in its terms of trade. As export prices increased faster than import prices, the economy experienced continuous growth, low unemployment, contained inflation, very low public debt, and a strong and stable financial system. Australia entered 2018 facing a range of growth constraints, principally driven by the sharp fall in global prices of key export commodities. Demand for resources and energy from Asia and especially China is growing at a slower pace and sharp drops in export prices have impacted growth.

Source : CIA

COMPANY NAME

REGISTERED NAME **QUEST FLOORING P/L**
ACN 606397273
ABN 61606397273

SUMMARY PANEL

Established	1978
Incorporated	2015
Line of Business	Manufacture and distribution of flooring
Status	Trading
Adverse Listings	<u>Nil</u>

EXECUTIVE SUMMARY

	Quest Flooring P/L		
	As at 31 March 2018	As at 31 March 2017	Change (%)
Revenue	\$43,714,164.00	\$9,059,992.00	382.50%
Profit b/tax	\$5,916,013.00	\$8,205,784.00	-27.90%
Profit a/tax	\$4,216,718.00	\$5,793,398.00	-27.22%
Net Profit Margin	9.65%	63.94%	-54.30%

On 1 August 2017, Quest Flooring Pty Ltd took over the daily activities, assets and liabilities of Quest Carpet Manufacturers Trust and thereafter ceased to be an investment holding company generating income from distributions and became a manufacturer and seller of carpet floorcoverings.

During fiscal 2018, the subject recorded Net Cashflows from operating activities totalling \$1,007,141.

As at 31 March 2018 the subject recorded a deficiency in Working Capital of \$17,375,032 and a current ratio of 0.56 to 1 indicating tight liquidity levels.

Net Assets totalled \$8,184,209 as at 31 March 2018. After deducting intangibles of \$25,159,328 this results in a deficiency in Net Worth of \$16,975,119.

COMPANY SUMMARY

Company Type Australian Proprietary Company
Status Registered

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Incorporation Date 12 Jun 2015
Incorporation State VIC
Registered Office 43-55 MARK ANTHONY DRIVE
DANDENONG SOUTH VIC, 3175

CURRENT DIRECTORS

Total: 2

Director Name WHYTE, WARWICK GREER
Appointment Date 14 Aug 2015
Date of Birth 24 Dec 1948
Place of Birth NGARUAWAHIA NEW ZEALAND
Gender UNKNOWN
Resident Overseas Y

Director Name DAVIES, MICHAEL JOHN
Appointment Date 12 Jun 2015
Date of Birth 17 Dec 1947
Place of Birth SHOREHAM UNITED KINGDOM
Gender MALE
Resident Overseas N
Address 4 HOLMHURST CT, BRIGHTON EAST VIC 3187

CURRENT SECRETARIES

Total: 1

Secretary Name SPIERINGS, DAVID CORNELIUS
Appointment Date 14 Aug 2015
Date of Birth 19 Dec 1964
Place of Birth SPRINGVALE VIC
Address 445 BOURKE ROAD NAR NARGOON VIC, 3812

CURRENT OTHER ORGANISATION OFFICERS

Total: 2

Officer Role Appointed Auditor
Officer Name GRANT THORNTON
ACN 020300912
Appointment Date 29 Jan 2016
Address 'THE RIALTO' LEVEL 30, 525

COLLINS STREET MELBOURNE VIC, 3000

Officer Role Ultimate Holding Company
Officer Name VICTORIA MIDCO HOLDINGSLIMITED

COMPANY SHARES

Total: 24614 **Amount: \$24,602,012**
Class ORD [ORD]
Number of Shares Issued 12
Paid Capital \$12.00
Total Amount Due and Payable \$0.00

Class REDEEMABLE PREFERENCE
 SHARES [REDP]
Number of Shares Issued 24602
Paid Capital \$24,602,000.00
Total Amount Due and Payable \$0.00

CURRENT SHAREHOLDERS

Shareholder Name VICTORIA MIDCO HOLDINGSLIMITED
Address WORCESTER ROAD, DY10 1JR
 KIDDERMINSTER
 WORCESTERSHIRE, UNITED
 KINGDOM
Number Held 12
Beneficially Held N
Fully Paid Y
Jointly Held N
Class ORD

Shareholder Name VICTORIA MIDCO HOLDINGSLIMITED
Address WORCESTER ROAD, DY10 1JR
 KIDDERMINSTER
 WORCESTERSHIRE, UNITED
 KINGDOM
Class REDP
Number Held 24602
Beneficially Held Y
Fully Paid Y
Jointly Held N

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SECURITY INTERESTS

Effective 30 January 2012 the Personal Property Securities Register (PPSR) was introduced to give the different Commonwealth, State and Territory laws and registers regarding security interests in personal property under one national system.

As a result of PPS Reform a number of existing Commonwealth, State and Territory personal property security registers will close. Interests registered on existing security interest registers will be migrated to the national PPS Register. Subsequently Registered Charges are no longer lodged with the Australian Securities and Investments Commission (ASIC).

BUSINESS STRUCTURE

TRADING ADDRESS	43 TO 55 Mark Anthony Drive DANDENONG SOUTH, VIC 3164
POSTAL ADDRESS	PO Box 4056 DANDEONG SOUTH, VIC 3164
TELEPHONE	(613) 8791 8200
FACSIMILE	(613) 8791 8299
WEBSITE	www.questcarpet.com.au
BANK	ANZ BANKING GROUP
EMPLOYEES	97

BACKGROUND

The subject was incorporated in Victoria on 12 June 2015 under the current style.'

On 7 August 2015, Quest Flooring Pty Ltd acquired all the units in Quest Carpet Manufacturers Unit Trust and all the shares in the trustee, Quest Carpet Manufacturers Pty Ltd, at a total Purchase Price of \$25,704,194

On 1 August 2017, Quest Flooring Pty Ltd took over the daily activities, assets and liabilities of Quest Carpet Manufacturers Trust and thereafter ceased to be an investment holding company generating income from distributions and became a manufacturer and seller of carpet floorcoverings.

Operations were founded as a new venture in 1978.

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OPERATIONS

The subject operates in the manufacture of cut pile and loop pile carpets.

Activities are conducted from premises located at the above listed trading address.

ADVERSE

A search of of on 18 December 2018 failed to trace any litigation listed against the subject at that date.

FINANCES

On 1 August 2017, Quest Flooring Pty Ltd took over the daily activities, assets and liabilities of Quest Carpet Manufacturers Trust and thereafter ceased to be an investment holding company generating income from distributions and became a manufacturer and seller of carpet floorcoverings.

Below is a summary of the subject's income results for the past two financial years.

	Quest Flooring P/L		
	As at 31 March 2018	As at 31 March 2017	Change (%)
Revenue	\$43,714,164.00	\$9,059,992.00	382.50%
Profit b/tax	\$5,916,013.00	\$8,205,784.00	-27.90%
Profit a/tax	\$4,216,718.00	\$5,793,398.00	-27.22%
Net Profit Margin	9.65%	63.94%	-54.30%

During fiscal 2018, the subject recorded Net Cashflows from operating activities totalling \$1,007,141.

As at 31 March 2018 the subject recorded total current assets of \$21,793,557. They included cash of \$2,352,727, receivables of \$8,083,291 and inventories of \$11,280,076.

Current liabilities at the same date totalled \$39,168,589 and included payables of \$8,640,785 and financial liabilities of \$28,102,000.

As at 31 March 2018 the subject recorded a deficiency in Working Capital of \$17,375,032 and a current ratio of 0.56 to 1 indicating tight liquidity levels.

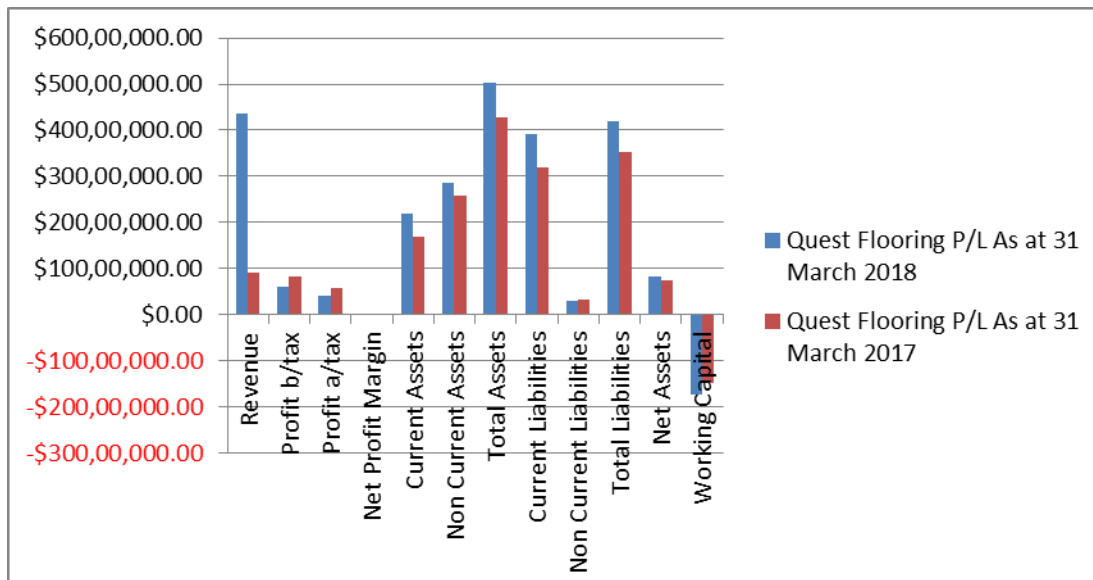
Net Assets totalled \$8,184,209 as at 31 March 2018. At this date, the subject further recorded a Debt to Equity ratio of 5.14 to 1. After deducting intangibles of \$25,159,328 this results in a deficiency in Net Worth of \$16,975,119.

Quest Flooring P/L

	As at 31 March 2018	As at 31 March 2017	Change (%)
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Profit a/tax	\$4,216,718.00	\$5,793,398.00	-27.22%
Net Profit Margin	9.65%	63.94%	-54.30%
Current Assets	\$21,793,557.00	\$17,032,322.00	27.95%
Non Current Assets	\$28,461,690.00	\$25,704,194.00	10.73%
Total Assets	\$50,255,247.00	\$42,736,516.00	17.59%
Current Liabilities	\$39,168,589.00	\$31,900,921.00	22.78%
Non Current Liabilities	\$2,902,449.00	\$3,293,031.00	-11.86%
Total Liabilities	\$42,071,038.00	\$35,193,952.00	19.54%
Net Assets	\$8,184,209.00	\$7,542,564.00	8.51%
Working Capital	(\$17,375,032.00)	(\$14,868,599.00)	16.86%
Current Ratio	0.56	0.53	4.21%
Debt to Equity	5.14	4.67	10.17%



TRADE SURVEY

During the current investigation, contact with the subject's principals was unable to be established.

Subsequently details pertaining to the company's suppliers were unable to be obtained and a trade survey could not be conducted.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.28
UK Pound	1	INR 88.85
Euro	1	INR 80.05
AUD	1	INR 49.93

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)