# Kyckr Limited

**ABN 38 609 323 257**

## Financial Statements

**For the period 16 November 2015 to 30 June 2016**

**Kyckr Limited**
**ABN 38 609 323 257**

## Contents

**For the period 16 November 2015 to 30 June 2016**

The Directors of Kyckr Limited ('Kyckr') present their Report together with the financial statements of Kyckr ('the Company') for the period 16 November 2015 to 30 June 2016.

## Directors' details

The following persons were directors of Kyckr Limited during or since the end of the financial period:

Mr Albert YL Wong (appointed 16 November 2015)
Mr David Cassidy (appointed 16 November 2015)
Mr Benjamin Cronin (appointed 16 November 2015)
Mr Robert Leslie (appointed 16 November 2015)
Mr John Walsh (appointed 11 April 2016)

## Principal activities

The principal activity of the Company during the financial period was that of a non-trading entity with a view to complete a successful initial public offering.

There have been no significant changes in the nature of these activities during the financial period.

## Review of operations and financial results

A review of the operations of the company during the financial period and the results of those operations show that the Company was established on 16 November 2015 to complete an initial public offering. The Company completed the following during the financial period:

- Issued 34,615,385 shares for consideration of $1,501,966 before capital raising costs; and

- Entered into a convertible note facility agreement with Global Business Register Limited ("GBR") (a Company incorporated in Ireland) of which GBR has drawn down $349,785.

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

## Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

## Events arising since the end of the reporting period

On 1 July 2016, shareholders approved at the Extraordinary General Meeting, the selective reduction in capital of 5,912,885 ordinary shares for consideration of $591.29 which was completed on 15 July 2016.

Apart from the share buyback, there are no other matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:
- the entity's operations in future financial years
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years

## Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

## Information on directors

### Mr. Albert Yueling Wong

Albert has more than 30 years' experience in stockbroking and investment banking. He has worked for Merrill Lynch in Sydney and was a Member of the Australian Securities Exchange. He has been instrumental in the listing of numerous small cap companies and served on the boards of the same and others over the years. Currently he serves as Deputy Chairman of Prima Biomed Limited, he is a Fellow of the Australian Institute of Company Directors, Fellow of FINSIA and a Member (Master Stockbroker) of the Stockbrokers Association of Australia.

Albert 's philanthropic endeavours include serving on the UNSW Foundation Board of Directors, acting President for the University of Sydney's Physics Foundation (appointed as an Honorary Life Governor of the Foundation), and serving on the Board of Directors of the Children's Medical Research Institute and its foundation.

Albert is Deputy Chairman of Prima BioMed Limited. During the past three years he has also served as a director of Winmar Resources Limited and Kimberly Diamonds Limited.

### Mr. Benjamin Michael Cronin

Ben is a founder, CEO and Director of Global Business Register Limited. He fulfills the combined roles of managing all operating activities, personnel and developing prospects and clients.

Ben was a professional Rugby Union player, playing for Munster and Ireland. Prior to setting up GBR, Ben was a successful property developer including bid management roles on Primary Healthcare Centre Projects and a Co- Location Hospital (Public Private Partnerships) Project.

During the past three years Benjamin has not served as a director of any other listed company.

### Mr. David Gerard Cassidy

David has more than 25 years' experience working in Australia, New Zealand, Asia, Europe and the US in banking, media, new media and Information Communications and Technology. He has worked for Australia's most prolific entrepreneurs, Kerry and James Packer.

He has worked for Citicorp, PricewaterhouseCoopers, Siemens, Consolidated Press Holdings Investments and Publishing Broadcast Limited. He has advised boards, served as CEO on an ASX-listed business and held many executive roles. He is well versed in Business Development, M&A, Marketing and Finance.

During the past three years David has not served as a director of any other listed company.

### Mr. Robert Henry Leslie

Robert is an electronics engineer by profession and a co- founder of Global Business Register Limited. Robert has worked internationally for Dell in Japan.

Rob is a mentor with Enterprise Ireland's network, providing support to high potential start-up entrepreneurs. He is also the founder of Sedicii, which provides 4th level identity protection online, mobile and through call centres.

Rob is a source of innovation and strategy in technology products. He was recently selected by the World Economic Forum as a Technology Pioneer for 2015 and invited to talk at Davos.

During the past three years Robert has not served as a director of any other listed company.

### Mr. John Gerard Walsh

John is currently Managing Director of Spiecapag Australia (SCA), which specialises in the delivery of onshore infrastructure for the oil, gas and water industry. John brings important skills to the board including project and change management, risk management and cost control.

During the past three years John has not served as a director of any other listed company.

### Company Secretary

David Cassidy was appointed Company Secretary on 16 November 2015 and resigned on 11 April 2016.

Karl Pechmann was appointed Company Secretary on 11 April 2016. Karl is a Chartered Accountant and Chartered Company Secretary. He has more than 15 years of diverse business experience across a range of industries including media, labour hire and biotechnology. He commenced his career with KPMG where he gained experience in audit, business advisory and corporate finance roles across a range of clients and industries. He has held senior finance positions at both ASX-listed and multi-national companies, being involved in M&A activity, strategic reviews and performance improvement initiatives.

### Directors' meetings

The number of Directors Meetings held during the year, and the number of meetings attended by each Director is as follows:

| Directors' name | Board meetings | |
|---|---|---|
| | Number eligible to attend | Number attended |
| Albert YL Wong | 4 | 3 |
| David Cassidy | 4 | 4 |
| Benjamin Cronin | 4 | 4 |
| Robert Leslie | 4 | 4 |
| John Walsh | 2 | 2 |

### Remuneration Report (audited)

The Directors of Kyckr Limited ('the Company') present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

Directors and key management personnel disclosed in this report

| Name | Position |
|---|---|
| Mr Albert Wong | Non – Executive Chairman |
| Mr David Cassidy | Executive Director & Chief Executive Officer |
| Mr Benjamin Cronin | Executive Director |
| Mr Robert Leslie | Executive Director |
| Mr John Walsh | Non – Executive Director |
| *Key management personnel* | |
| Mr Karl Pechmann | Company Secretary |

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

a Principles used to determine the nature and amount of remuneration;
b Details of remuneration;
c Service agreements;
d Share-based remuneration.

## a Principles used to determine the nature and amount of remuneration

The principles of the Company's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Kyckr Limited has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The remuneration structure that has been adopted by the Company consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being bonuses.

The Board assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to pre-determined performance criteria.

## b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management

| 30-Jun-16 | Short-term Benefits | | | Post Employment Benefits | Long-term Benefits | Total |
|---|---|---|---|---|---|---|
| | Cash salary and fees | Cash bonus | Non Monetary | Super-annuation | Long service leave | |
| | $ | $ | $ | $ | $ | $ |
| Mr A Wong | 5,000 | - | - | - | - | 5,000 |
| Mr D Cassidy | - | - | - | - | - | - |
| Mr B Cronin | - | - | - | - | - | - |
| Mr R Leslie | - | - | - | - | - | - |
| Mr J Walsh | 5,000 | - | - | - | - | 5,000 |
| **Other Key Management Personnel** | | | | | | |
| Mr K Pechmann | 28,358 | - | - | - | - | 28,358 |
| **Total remuneration** | **38,358** | **-** | **-** | **-** | **-** | **38,358** |

Personnel (KMP) of the Company are shown in the table above.

During the financial period ended 30 June 2016, consulting fees in the amount of $143,000 (inclusive of GST) were paid to Boomerang Capital Pty Limited, a company associated with Mr Albert Wong and Mr David Cassidy in relation to management services.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

| Name | Fixed remuneration | At risk – STI | At risk – options |
|---|---|---|---|
| **Executive Directors** | | | |
| David Cassidy | 100% | - | - |
| Benjamin Cronin | 100% | - | - |
| Robert Leslie | 100% | - | - |
| **Other Key Management Personnel** | | | |
| Karl Pechmann | 100% | - | - |

## c Service agreements

As at the date of this financial report, there are no service agreements in place for the Executive Directors and other Key Management Personnel. Service agreements will commence upon a successful initial public offering.

### d Share based remuneration

No share based remuneration was granted during the financial period ended 30 June 2016.

Shares held by key management personnel

The number of ordinary shares in the Company during the 2016 reporting period held by each of the Company's key management personnel, including their related parties, is set out below:

**Year ended 30 June 2016**

| Personnel | Balance at start of period | Granted as remuneration | Received on exercise | Other changes | Held at the end of reporting period |
|---|---|---|---|---|---|
| A Wong | - | - | - | 7,057,692 | 7,057,692 |
| D Cassidy | - | - | - | 7,057,691 | 7,057,691 |
| B Cronin | - | - | - | 1 | 1 |
| R Leslie | - | - | - | 1 | 1 |
| J Walsh | - | - | - | 250,000 | 250,000 |
| K Pechmann | - | - | - | 150,000 | 150,000 |
| | **-** | **-** | **-** | **14,515,385** | **14,515,385** |

None of the shares included in the table above are held nominally by key management personnel.

END OF REMUNERATION REPORT.

### Environmental legislation

The Company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

### Indemnities given to, and insurance premiums paid for, auditors and officers

*Insurance of officers*
During the period, the Company paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy including all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

## Indemnities given to, and insurance premiums paid for, auditors and officers (continued)

*Indemnity of auditors*
The Company has not during or since the financial year indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

## Non-audit services

During the period, Nexia Court & Co., the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact upon the impartiality and objectivity of the auditor

- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Nexia Court & Co., and its related practices for audit and non-audit services provided during the year are set out in Note 18 to the financial statements.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included on page 8 of this financial report and forms part of this Directors' Report.

## Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the period ended 30 June 2016 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors

Robert Leslie

Director: Robert Leslie

Director: David Cassidy

Dated this 30th day of August 2016

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The Board of Directors
Kyckr Limited
Level 7, 151 Macquarie Street
SYDNEY NSW 2000

To the Board of Directors of Kyckr Limited

## Auditors Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Kyckr Limited

As lead auditor partner for the audit of the financial statements of Kyckr Limited for the financial period ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of :

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours Sincerely

Nexia Court & Co

**Nexia Court & Co**
Chartered Accountants

**Lester Wills**
Partner
Sydney

Dated: 30 August 2016

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# Independent Audit Report to the members of Kyckr Limited

**Report on the Financial Report**

We have audited the accompanying financial report of Kyckr Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with International Financial Reporting Standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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*, which has been given to the directors of Kyckr Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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# Independent Audit Report to the members of Kyckr Limited

*Opinion*
In our opinion:

(a) the financial report of Kyckr Limited is in accordance with the *Corporations Act 2001*, including:

  i. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the period ended on that date; and

  ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a).

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 3 to 6 of the directors' report for the period ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion, the Remuneration Report of Kyckr Limited for the period ended 30 June 2016, complies with section 300A of the *Corporations Act 2001.*

Yours sincerely

Nexia Court & Co

**Nexia Court & Co**
Chartered Accountants

**Lester Wills**
Partner

Sydney

Dated this...........30th.................day of........August......2016

## Kyckr Limited ABN 38 609 323 257
## Director’s declaration

In the directors’ opinion:

(a) the financial statements and notes set out on pages 12 to 30 are in accordance with the *Corporations Act 2001* and:

(i) complying with Accounting Standards and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial period ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the financial statements and notes also comply with International Financial Reporting Standards, as disclosed in note 2(a) to the financial statements.

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

On behalf of the directors

Albert YL Wong
Chairman
Kyckr Limited
30 August 2016

**Kyckr Limited ABN 38 609 323 257**
**Statement of profit or loss and other comprehensive income**

**For the period ended 30 June 2016**

| | Note | 2016<br>$ |
|---|---|---|
| **Expenses** | | |
| Costs associated with acquisitions | | (359,525) |
| IPO related expenses | | (212,878) |
| Consultancy fees | **15(b)** | (143,000) |
| Other administrative expenses | **5** | (31,309) |
| **Operating loss** | | **(746,712)** |
| Finance income | | 14,904 |
| Finance costs | | - |
| **Net finance income** | | **14,904** |
| **Loss before tax** | | **(731,808)** |
| Income tax (expense)/benefit | 6 | - |
| **Loss after tax** | | **(731,808)** |
| | | |
| **Loss attributable to** | | |
| Owners of the company | | (731,808) |
| | | |
| **Total comprehensive loss for the period** | | **(731,808)** |
| | | |
| **Loss for the year is attributable to** | | |
| Owners of Kyckr Limited | | **(731,808)** |
| | | |
| **Total comprehensive loss for the year is attributable to** | | |
| Owners of Kyckr Limited | | **(731,808)** |
| | | |
| | | Cents |
| Basic loss per share | **19** | (2.23) |
| Diluted loss per share | **19** | (2.23) |

The notes on pages 17 to 29 are an integral part of these financial statements

There is no prior year comparative results as the Company was incorporated on 16 November 2015.

## Kyckr Limited ABN 38 609 323 257
## Statement of Financial Position

### As at 30 June 2016

| | Note | 2016<br>$ |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | **7** | 266,943 |
| Financial assets | **8** | 188,346 |
| Other assets | **9** | 201,015 |
| **Total current assets** | | **647,534** |
| Financial assets | **8** | 161,439 |
| **Total non-current assets** | | **161,439** |
| **Total assets** | | **817,743** |
| | | |
| **Liabilities** | | |
| Trade and other payables | | 146,585 |
| **Total current liabilities** | | **146,585** |
| **Total liabilities** | | **146,585** |
| **Net assets** | | **671,158** |
| **Equity** | | |
| Share capital | **10** | 1,402,966 |
| Retained earnings/accumulated losses | | (731,808) |
| **Total equity attributable to equity holders of the Company** | | **671,158** |

The notes on pages 17 to 30 are an integral part of these financial statements

There is no prior year comparative results as the Company was incorporated on 16 November 2015.

## Kyckr Limited ABN 38 609 323 257
## Statement of changes in equity

### For the period ended 30 June 2016

| | Note | Share capital | Accumulated Losses | Total |
|---|---|---|---|---|
| Total comprehensive income | | | | |
| Profit or loss | | - | (731,808) | (731,808) |
| Other comprehensive income | | - | - | - |
| **Total comprehensive income** | | **-** | **(731,808)** | **(731,808)** |
| Transactions with owners of the Company | | | | |
| Contributions and distributions | | | | |
| Issue of ordinary shares | **10** | 1,501,966 | - | 1,501,966 |
| Share issue costs | **10** | (99,000) | - | (99,000) |
| Deferred tax expense | | - | - | - |
| **Total contributions and distributions** | | **1,402,966** | **-** | **1,402,966** |
| **Balance at 30 June 2016** | | **1,402,966** | **(731,808)** | **671,158** |

The notes on pages 17 to 30 are an integral part of these financial statements

There is no prior year comparative results as the Company was incorporated on 16 November 2015.

## Kyckr Limited ABN 38 609 323 257
## Statement of cash flows

### For the period ended 30 June 2016

| | Note | 2016<br>$ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash paid to suppliers and employees | | (43,846) |
| Interest received | | 4,003 |
| **Net cash from operating activities** | **17** | **(39,843)** |
| | | |
| **Cash flows from investing activities** | | |
| Convertible notes provided | | (349,785) |
| Payment of acquisition costs | | (359,525) |
| **Net cash used in investing activities** | | **(709,310)** |
| | | |
| **Cash flow from financing activities** | | |
| Proceeds from issue of share capital | | 1,501,966 |
| Transaction costs related to issue of shares | | (272,992) |
| Transaction costs related to Initial Public Offering | | (212,878) |
| **Net cash from/(used in) financing activities** | | **1,016,096** |
| | | |
| **Net increase in cash and cash equivalents** | | **266,943** |
| Cash and cash equivalents at inception | | **-** |
| Effect of movements in exchange rates on cash held | | - |
| **Cash and cash equivalents at 30 June 2016** | **7** | **266,943** |

The notes on pages 17 to 30 are an integral part of these financial statements.

There is no prior year comparative results as the Company was incorporated on 16 November 2015.

## Index to notes to the financial statements

## 1. Reporting entity

Kyckr Limited (the “Company”) is a company domiciled in Australia. The Company was incorporated on 16 November 2015. The financial statements comprise the Company and results are presented from 16 November 2015 to 30 June 2016.

The Company’s registered business address is at Level 7, 151 Macquarie Street, Sydney NSW 2000.

The Company is a non-trading entity with a view to complete a successful initial public offering.

## 2. Basis of accounting

### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations associated with all financial liabilities.

The financial statements were authorised for issue by the Board of Directors on 30 August 2016. The Directors have the power to amend and reissue the financial statements. Details of the Company’s accounting policies are included in Notes 20 and 21.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

## 3. Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

## 4. Operating segments

The Company operates in one market segment being a non-trading entity. Segment information reported to the Chief Executive Officer, who is considered the chief operating decision maker of the Company, is substantially similar to information provided in this financial report.

## 5. Expenses

| | 2016<br>$ |
|---|---|
| Directors’ fees | 10,000 |
| Foreign currency loss | 4,743 |
| Other administrative expenses | 16,566 |
| | 31,309 |

## 6. Income taxes

### (a) Reconciliation of effective tax rate

| | 2016<br>$ |
|---|---|
| Loss before tax | (731,808) |
| Prima facie income tax expense/(benefit at 30%) | (219,542) |
| Add/(less) tax effect of: | |
| Non-deductible expenses | 172,008 |
| Non-assessable income | (3,270) |
| Capital deductions | (40,284) |
| | (91,088) |
| Net adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised | 91,088 |
| **Income tax expense/(benefit) charged to income statement** | **-** |

### (b) Deferred tax assets not recognised

| | 2016<br>$ |
|---|---|
| Deferred tax assets not recognised comprises of: | |
| Carried forward tax losses benefit | 74,269 |
| Temporary differences | 174,687 |
| **Total deferred tax assets not recognised** | **248,956** |

The above potential tax benefit, which includes tax losses and temporary differences has not been recognised in the balance sheet as recovery of this benefit is not probable. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at 30 June 2016 was $247,564. Utilisation of these tax losses is dependent on the Company satisfying certain tests at the time the losses are recouped.

## 7. Cash and cash equivalents

| | 2016<br>$ |
|---|---|
| Cash at bank and in hand | 266,943 |

## 8. Financial assets

| | 2016 $ |
|---|---|
| Convertible note | 349,785 |
| **Total financial assets** | **349,785** |
| **Current** | **188,346** |
| **Non-current** | **161,439** |

The convertible note was issued to Global Business Register Limited (the borrower). The note is repayable on a monthly basis on and from 12 months following the initial drawdown of funds. Interest is payable on this note at 8%. The Company may convert all or any part of the convertible note at any time upon 2 business day's written notice to the Borrower. The rate of conversion will be one share for each amount of the principal sum plus accrued interest which represents part or all of €10. The total facility amount available to the borrower is $750,000 (unused $400,215).

## 9. Other assets

| | 2016 $ |
|---|---|
| Prepayments | 181,344 |
| Accrued interest on convertible notes | 10,901 |
| GST receivable | 8,770 |
| **Total other assets** | **201,015** |
| **Current** | **201,015** |
| **Non-current** | **-** |

Included in prepayments is $173,992 of costs associated with issuing new shares expected to occur as part of the initial public offering. These costs will be deducted from equity on issuing the shares.

## 10. Capital and reserves

### (a) Share capital

| | Ordinary shares 2016 | Value 2016 $ |
|---|---|---|
| On issue at inception | - | - |
| Issued for cash | 34,615,385 | 1,501,966 |
| Share issue costs (net of tax) | - | (99,000) |
| **On issue at 30 June 2016** | **34,615,385** | **1,402,966** |

## 10. Capital and reserves (continued)

*Ordinary shares*

The holders of these shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. The Company's share capital consists of ordinary shares.

### (b) Dividends

No dividends were declared or paid by the Company during or since the end of the financial period.

## 11. Capital management

The Company's principal sources of funds are cash reserves on hand from share capital. The Company may finance its ongoing operations with operating cash flows, bank borrowings or a combination of both.

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

## 12. Financial instruments

### (i) Credit risk

Credit risk is managed on a Company wide basis. Credit risk arises from cash and cash equivalents, deposits with banks and exposures to agencies and direct clients, including outstanding receivables and committed transactions. The Company has concentration of credit risk in relation to the convertible note issued to Global Business Register Limited. Ongoing customer credit performance is monitored on a regular basis.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 30 June 2016 was:

| | **2016<br>$** |
|---|---|
| Cash and cash equivalents | 266,943 |
| Financial assets | 349,785 |
| **Total** | **616,728** |

## 12. Financial instruments (continued)

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

| | | | | Contractual cash flows | |
|---|---|---|---|---|---|
| | | Carrying amount | Total | Less than 12 months | 1-5 years |
| | Note | $ | $ | $ | $ |
| Trade and other payables | | 146,585 | 146,585 | 146,585 | - |
| **Total** | | 146,585 | 146,585 | 146,585 | - |

The Company's liquidity is dependent upon the Company being able to manage its cash outflows and financing obligations as it continues to expand its operations and therefore liquidity is an area of risk. The Company expects to fund part of its capital expenditure from cash flows from operations, and should cash flows from operations not be sufficient, discretionary capital expenditure may be deferred to manage the Company's liquidity profile.

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### (iv) Currency risk

The Company is exposed to foreign exchange transaction risks arising from currency exposures, primarily with respect to the Euro. Foreign exchange transaction risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

### (v) Interest rate risk

The Company is not exposed to interest rate risk as the interest earned on the Convertible Note receivable is fixed. The Board will monitor future borrowing levels and will adopt an appropriate hedging strategy as required.

## 13. Operating leases

There are no material operating lease commitments in existence as at 30 June 2016.

## 14. Capital commitments

There are no material capital commitments in existence as at 30 June 2016.

## 15. Related parties

### (a) Directors and key management personnel compensation

For the financial period ended 30 June 2016, total short term benefits paid to directors and key management personnel compensation was $38,358.

### (b) Key management personnel and director transactions

During the period the Company paid Boomerang Capital Pty Limited, a company owned by Albert Wong and David Cassidy, consulting fees in the amount of $143,000 (inclusive of GST). All fees paid by the company were on arm's length terms.

During the period the Company was issued with a Convertible Note by Global Business Register Limited, a company where Benjamin Cronin and Robert Leslie are directors. The loan is repayable on a monthly basis on and from 12 months following the initial drawdown of funds. Interest is payable on this loan at 8%. The Company may convert all or any part of the convertible loan at any time upon 2 business day's written notice to the Borrower. The rate of conversion will be one share for each amount of the principal sum plus accrued interest which represents part or all of €10. Refer to Note 8 for further information.

## 16. Subsequent events

On 1 July 2016, shareholders approved at the Extraordinary General Meeting, the selective reduction in capital of 5,912,885 ordinary shares for consideration of $591.29 which was completed on 15 July 2016.

Apart from the matter described above, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the entity's operations, the results of those operations or the entity's state of affairs in future financial years.

## 17. Reconciliation of cash flows from operating activities

| | Note | 2016 $ |
|---|---|---|
| Cash flows from operating activities | | |
| Profit/(loss) | | (731,808) |
| Adjustments for: | | |
| IPO Transaction costs | | 212,878 |
| Costs associated with acquisitions | | 359,525 |
| | | |
| Change in other current assets | | (27,024) |
| Change in trade and other payables | | 146,586 |
| **Cash generated from operating activities** | | **(39,843)** |
| Interest paid | | - |
| Income taxes paid | | - |
| **Net cash from operating activities** | | **(39,843)** |

## 18. Auditors' remuneration

| | 2016 $ |
|---|---|
| Audit services | |
| Auditors of the Company | |
| Audit and review of financial statements | 7,000 |
| | |
| Other services | |
| Auditors of the Company – Nexia Court & Co. | |
| Financial statement preparation assistance | 2,500 |
| Income tax advisory services | 12,000 |
| Investigating Accountants services in relation to IPO | 70,000 |

## 19. Earnings per share

| | 2016 $ |
|---|---|
| Loss after income tax | (731,808) |
| **Loss after income tax attributable to the owners of the Company** | **(731,808)** |
| | Number |
| Weighted average number of shares used in calculating basis earnings per share | 32,773,280 |
| Weighted average number of shares used in calculating diluted earnings per share | 32,773,280 |
| | Cents |
| Basic loss per share | (2.23) |
| Diluted loss per share | (2.23) |

## 20. Significant accounting policies

### (a) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### (b) Income tax

The income tax expense/(income) for the period comprises current income tax expense/ (income) and deferred tax expense/(income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period. Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

## 20. Significant accounting policies (continued)

### (b) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

### (c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non- current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

### (d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (e) Other financial assets

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition.

## 20. Significant accounting policies (continued)

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired, as well as through the amortisation process.

*Recognition and derecognition*

Purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

*Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

### (f) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, to achieve a constant rate of interest on the remaining balance of the liability.

## 20. Significant accounting policies (continued)

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straightline basis over the term of the lease.

### (g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### (h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, the assets are disclosed as a single operating segment.
Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### (i) Foreign current translation

*Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

*Transactions and balances*

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

### (j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (k) Segment reporting

Results that are reported to the Board (the chief operating decision maker) are based on a single operating segment basis.

### (l) Earnings per share

The Company presents basic and diluted earnings per share data. Basic earnings per share is calculated by dividing the net loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the years. The earnings per share is determined by adjusting the net loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The Company uses the treasury stock method for calculating diluted earnings per share. The diluted earnings per share calculation considers the impact of potentially dilutive instruments, if any.

## 21. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 15 Revenue from Contracts with Customers - AASB 15 replaces AASB 118 *Revenue, AASB 111 Construction Contracts* and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

a) identify the contract with a customer;
b) identify the separate performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the separate performance obligations in the contract; and
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15.* It applies to annual reporting periods commencing on or after 1 January 2018. Management has yet to fully assess the impact of the new standard on the financial statements when applied to future periods.

(ii) AASB 9 Financial Instruments - AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.
AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:
a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI);
ii) The remaining change is presented in profit or loss.
AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8. It applies to annual reporting periods commencing on or after 1 January 2018. Management has yet to fully assess the impact of the new standard on the financial statements when applied to future periods.

(iii) AASB 16 Leases - AASB 16 replaces AASB 117 *Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases.
AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.
A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 *Statement of Cash Flows*.
AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. It applies to annual reporting periods commencing on or after 1 January 2019. Management has yet to fully assess the impact of the new standard on the financial statements when applied to future periods.

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

## 22. Use of judgements and estimates

When preparing these financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

There were no significant accounting estimates or judgements required in the preparation of thids financial report.