Augend Limited
ACN 150 110 017

Financial Statements
For the year ended 30 June 2017

CONTENTS

Directors' Report

The directors present their report, together with the financial statements of Augend Limited (referred to hereafter as the 'Company') the year ended 30 June 2017.

Directors
The following persons were directors of Augend Limited during the whole of the year and up to the date of this report, unless otherwise stated:

Derek Jones (Chairman)
Robert Di Russo
Keong Chan

Principal Activities
On 30 June 2017, the Company made an announcement to acquire ITM Corporation Limited. ITM Corporation Limited operates a warehouse and retail store business which sells Australian products to primarily Chinese customers in Australia.

There were no other significant changes in the nature of the Company's principal activities during the financial year.

Significant Changes in the State of Affairs
The following significant changes in the state of affairs of the Company occurred during the financial year:

On 30 June 2017, the Company made an announcement to acquire ITM Corporation Limited. ITM Corporation Limited operates a warehouse and retail store business which sells Australian products to primarily Chinese customers in Australia.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Events after the Reporting Period
The Company will be holding a general meeting on 12 September 2017 to bring effect the acquisition of ITM Corporation Limited including a capital raising of up to $6 million to issue up to 75,000,000 shares (on a post-consolidation basis).

Except for the above, no other matters or circumstances have arisen since the end of the financial year that significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Dividends
Augend paid no dividends during the current or prior financial year. No dividend is recommended.

Review of Operations
Results FY17
The Company recorded a full year net loss after tax of $253,673 compared to the prior year net loss after tax result of $17,641,861. This represents a decrease in loss after tax from the prior year of 98%, as a result of change in business and the gain on settlement of the Deed of Company Arrangement of $57,273.

Underlying results
Underlying EBITDA declined 98% on the previous year to a $253,673 loss (FY16: $10,444,405).

Directors' Report (continued)

Key Outcomes
On 30 June 2017, the Company made an announcement to acquire ITM Corporation Limited. ITM Corporation Limited operates a warehouse and retail store business which sells Australian products to primarily Chinese customers in Australia.

Financial Position
The Company had remaining negative working capital of ($121,595) and as at 30 June 2017 had cash at bank of $4,260 with $127,980 of current liabilities.

Business Strategies and Outlook
The Company will now look to finalise the acquisition of ITM Corporation Limited and to raise sufficient funds as well as re-comply with Chapters 1 & 2 of the ASX Listing Rules.

Information on the Directors

Derek Jones	56, Bachelor of Business
Role	Non-Executive Director Appointed 14 April 2017
Experience	Mr Jones has over 30 years of experience in global capital markets including 12 years as a stockbroker in Perth and brings a strong network of institutional/corporate relationships to the Company. He holds a Bachelor of Business degree from Curtin University.
Interest in Shares and Options (direct and indirect)	Nil

Robert Di Russo	45, BCom (Accounting & Tax) CA
Role	Non-Executive Director Appointed 14 April 2017
Experience	Mr Di Russo is a director of Capo & Co. Formerly from a Big 4 Accounting firm, Mr Di Russo has extensive experience in all matters of compliance, tax planning/structuring and has amassed considerable experience in the small to medium business advisory space. He is a member of the Institute of Chartered Accountants with a Post Graduate Diploma in Taxation from University of Melbourne Law School.
Interest in Shares and Options (direct and indirect)	Nil

Keong Chan	37, BCom. CA
Role	Executive Director Appointed 9 June 2016
Experience	Mr. Chan has provided advice to a number of companies on corporate matters in relation to capital raisings, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and has sat on or acted as an advisor to a number of ASX listed boards. Mr. Chan holds a Bachelor of Commerce from the University of Western Australia and a Master of International Customs Law and Administration from the University of Canberra.
Interest in Shares and Options (direct and indirect)	Nil

Company Secretary
The Company Secretary is Keong Chan and was appointed as Company Secretary of Augend Limited on 9 June 2016.

Directors' Report (continued)

Meetings of Directors

Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit Committee		Nominations and Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Derek Jones	-	-	-	-	-	-
Robert Di Russo	-	-	-	-	-	-
Keong Chan	-	-	-	-	-	-

Indemnifying Officers

During or since the end of the financial year, the Company paid insurance premiums to insure Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Options

At the date of this report, there were no unissued ordinary shares of Augend Limited under option.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring 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.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110*: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

There were no fees paid or payable to RSM Australia Partners and its related practices for non-audit services provided during the year ended 30 June 2017.

Corporate Governance Statement

This Corporate Governance Statement is current as at 21 August 2017 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at www.aumake.com.au.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.	YES	(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its Directors and senior executives.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary or it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.	PARTIALLY	(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives if any have been set and the Company's progress in achieving them. (b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. (c) (i) The measurable gender diversity objectives for each financial year (if any), and the Company's progress in achieving them, will be detailed in the Company's Annual Report. These measurable objectives are yet to be set. (ii) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for the each financial year in accordance with the above process.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. • The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes. Due to the limited trading history of the Company, no evaluations have been conducted to date.
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should:	PARTIALLY	(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, • and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.		for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	YES	Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy is available in the Company's Annual Report. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report.
Recommendation 2.3 A listed entity should disclose:	YES	(a) The Board Charter requires the disclosure of the names of Directors

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
(a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director		considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report and on its ASX website. The Board considers the following Directors are independent: Mr Robert Di Russo and Derek Jones. (b) There are no independent Directors who fall into this category. The Company will disclose in its Annual Report and ASX website any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent. (c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	NO	The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of three (3) directors, of whom two (2) are considered to be independent. As such, independent directors are currently not an independent majority of the Board.
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	PARTIALLY	The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director. The Chair of the Company is not an independent Director and is not the CEO/Managing Director.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Principle 4*: Safeguard integrity in financial reporting*		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director, who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	YES	(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair. (b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.
Recommendation 4.3	YES	The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		and is available to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	YES	(a) The Board Charter provides details of the Company's disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. (b) The Corporate Governance Plan, which incorporates the Board Charter, is available on the Company website.
Principle 6: ***Respect the rights of security holders***		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1		(a) The Company does not have an Audit and Risk Committee. The Company's

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	YES	Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director. A copy of the Corporate Governance Plan is available on the Company's website. (b) The Company does not have an Audit and Risk Committee as the Board consider the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework: (i) the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures; and (ii) all members of the Board are involved in the Company's risk function to ensure the proper maintenance of the entity.
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. (b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function. (b) The Company does not have an internal audit function as the function is currently performed by the entire Board. Details of the Company's Audit and Risk Committee Charter can be

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
		found in the Company's Corporate Governance Plan.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its ASX website as part of its continuous disclosure obligations.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	YES	(a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: (i) the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of

RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.		Directors and senior executives, which is disclosed in the Company's annual report.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	(a) The Company has an equity based remuneration scheme. The Company has a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. (b) A copy of the policy will be provided on the Company's website and in the Annual Report.

Directors' Report (continued)

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included within the financial statements and forms part of this Directors' Report.

Remuneration Report - Audited
Remuneration Policy

The remuneration policy of Augend Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives based on key performance areas affecting the Company's financial results. The Board of Augend Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to operate and manage the Company, as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Company is as follows:

- The full Board is responsible for matters normally attended to by a Remuneration Committee including overseeing the remuneration policy and for recommending or making such changes to the policy;
- All executive KMP receive a base salary (which is based on factors such as experience and market rates of pay), superannuation, fringe benefits, performance rights and performance incentives;
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met;
- Incentives paid in the form of options or rights are intended to align the interests of the key personnel and Company with those of the Shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means; and
- The Board reviews KMP packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each Executive and is based predominantly on the forecast growth of the Company's profits. Any change must be justified by reference to measurable performance criteria. The policy is designed to reward KMP for performance results leading to long-term growth in shareholder wealth.

KMP receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align KMPs' interests with Shareholders' interests. Options and performance rights granted under the arrangement do not carry dividend or voting rights. Each option and performance right is entitled to be converted into one ordinary share once the applicable hurdles have been met and are valued using an appropriate model.

All remuneration paid to KMP is valued at cost to the Company and expensed.

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.

Performance-based Remuneration
KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Company's goals before the KPIs are set for the following year.

Directors' Report (continued)

Remuneration Report – Audited (continued)
In determining whether or not a financial KPI has been achieved, Augend Limited bases the assessment on audited figures.

Relationship between Remuneration Policy and Company Performance
The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on KPIs, and the second being the issue of options and performance rights to the majority of Directors and Executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share prices at the end of the respective financial years.

The Company will now look to move forward, pursuing other investment opportunities and in doing so will develop a remuneration policy that promotes the furtherance of these opportunities.

		2017	2016	2015	2014	2013
Revenue	$	57,276	6,859,040	50,226,000	87,681,000	72,904,000
Net profit after tax	$	(253,673)	(17,641,861)	(50,558,000)	12,211,000	9,103,000
Share price at year-end	$ per share	0.00	0.00	0.07	2.02	1.39
Dividends declared	Cents per share	-	-	-	7.5	5.5

Voting and comments made at the Company's 2016 Annual General Meeting (AGM)

At the 2016 AGM, 97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Performance Conditions Linked to Remuneration

The Company seeks to emphasise reward incentives for results and continued commitment through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of earnings targets, KPIs, and continued employment.

The performance-related proportions of remuneration based on these targets are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the Company and provide a common interest between management and Shareholders.

The satisfaction of the performance conditions is based on a review of the audited financial statements of the Company, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Company at this time.

Employment Details of Members of Key Management Personnel

Directors did not have in place employment or services agreements.

	Position Held as at 30 June 2017 and any Change during the Year	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Not Related to Performance	
		Non-salary Cash-based Incentives[1]	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
KMP		%	%	%	%	%
Derek Jones	Chairman	0%	0%	0%	100%	100%
Robert Di Russo	Director	0%	0%	0%	100%	100%
Keong Chan	Director	0%	0%	0%	100%	100%

Directors' Report (continued)

Remuneration Report – Audited (continued)

Remuneration Details for the Year Ended 30 June 2017

The following table of benefits and payments details, in respect to the 2017, the components of remuneration for each director. The amounts have been calculated in accordance with Australian Accounting Standards.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2017	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Directors:								
Robert DiRusso	6,000	-	-	-	-	-	-	6,000
Derek Jones	6,500	-	-	-	-	-	-	6,500
Keong Chan	19,000	-	-	-	-	-	-	19,000
Total	**31,500**	**-**	**-**	**-**	**-**	**-**	**-**	**31,500**

Remuneration Details for the Year Ended 30 June 2016

The current Directors did not receive remuneration for the financial year ended 2016.

No members of the KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Share-based Payments
Options
Movements during the year are as follows:

30 June 2017	Balance at Beginning of Year	Issued During the Year	Exercised During the Year	Lapsed During the Year	Other Changes During the Year	Balance at End of Year
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

KMP Shareholdings
The number of ordinary shares in Augend Limited held by each KMP of the Company during the financial year is as follows:

30 June 2017	Balance at Beginning of Year	Issued on Exercise of Options during the Year	Issued on Vesting of Performance Rights during the Year	Other Changes during the Year	Balance at End of Year
Derek Jones	-	-	-	-	-
Robert Di Russo	-	-	-	-	-
Keong Chan	-	-	-	-	-
Total	-	-	-	-	-

Directors' Report (continued)

Remuneration Report – Audited (continued)

Other Equity-related KMP Transactions
There have been no other transactions involving equity instruments other than those described in the tables and information above relating to options, performance rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

(i)Receivable from and payable to key management personnel and their related parties are as follows:
The following balances are outstanding at the reporting date in relation to transactions with key management personnel and their related parties:

	30 June 2017 $
Payable to Robert Di Russo, director	6,000
Payable to Charterhouse Capital Pty Ltd (director related entity of Keong Chan)	10,000

(ii) Transactions with key management personnel and their related parties
There is no transactions with key management personnel and their related parties for the year ended 30 June 2017.

(iii) Loan with key management personnel and their related parties
There is no loan with key management personnel and their related parties for the year ended 30 June 2017.

End of Remuneration report - audited

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Keong Chan
Director
Dated: 29 August 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Augend Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 29 August 2017

TUTU PHONG
Partner

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Company 2017 $	Consolidated 2016 $
Revenue	2	3	88,900
Other income			
Gain on disposal of property, plant and equipment		-	51,097
Gain on settlement of DOCA		57,273	6,347,565
Expenses			
Depreciation and amortisation expense		-	(48,587)
Employee benefits expense		-	(551,393)
Travel and accommodation		-	(7,295)
Motor vehicle lease and maintenance		-	(670)
Finance costs	2	-	(10,743)
Impairment of assets	2	-	(384,184)
Administration and other expenses		(310,949)	(1,925,192)
(Loss) / Profit before income tax		**(253,673)**	**3,559,498**
Income tax benefit	4	-	2,940,240
(Loss) / Profit from continuing operations		**(253,673)**	**6,499,738**
Loss from discontinued operations (after tax)	3	-	(24,141,599)
Loss for the year		**(253,673)**	**(17,641,861)**
Other comprehensive income			
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		**(253,673)**	**(17,641,861)**
Loss attributable to members of the parent entity		**(253,673)**	**(17,641,861)**
Total comprehensive loss attributable to members of the parent entity		**(253,673)**	**(17,641,861)**
Earnings per share		**Cents**	**Cents**
From continuing and discontinued operations			
• basic loss per share (cents)	10	(0.3)	(799.0)
• diluted loss per share (cents)	10	(0.3)	(799.0)
Earnings per share			
From continuing operations:			
• basic loss per share (cents)	10	(0.3)	287.0
• diluted loss per share (cents)	10	(0.3)	287.0

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	Company 2017 $	Consolidated 2016 $
ASSETS			
Current assets			
Cash and cash equivalents	5	4,260	107,281
Trade and other receivables	6	2,125	-
Total current assets		**6,385**	**107,281**
Total assets		**6,385**	**107,281**
LIABILITIES			
Current liabilities			
Trade and other payables	7	36,000	45,203
Borrowings	8	91,980	-
Total current liabilities		**127,980**	**45,203**
Total liabilities		**127,980**	**45,203**
NET (LIABILITIES)/ ASSETS		**(121,595)**	**62,078**
EQUITY			
Issued capital	9	51,248,114	51,178,114
Accumulated losses		(51,369,709)	(51,116,036)
TOTAL EQUITY		**(121,595)**	**62,078**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2017

Consolidated	Note	Ordinary Share Capital $	Accumulated Losses $	Share Based Payments Reserve $	Total $
Balance at 1 July 2015		**50,479,008**	**(33,472,631)**	**296,094**	**17,302,471**
Comprehensive income					
Loss for the year		-	(17,641,861)	-	(17,641,861)
Total comprehensive loss for the full year		-	(17,641,861)	-	(17,641,861)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of ordinary shares		714,614	-	(74,614)	640,000
Performance rights and options lapsed		-	-	(221,480)	(221,480)
Transaction costs		(15,508)	(1,544)	-	(17,052)
Total transactions with owners and other transfers		**699,106**	**(1,544)**	**(296,094)**	**401,468**
Balance at 30 June 2016		**51,178,114**	**(51,116,036)**	-	**62,078**

Company					
Comprehensive income					
Loss for the year		-	(253,673)	-	**(253,673)**
Total comprehensive loss for the full year		-	(253,673)	-	**(253,673)**
Transactions with owners, in their capacity as owners, and other transfers					
Issue of ordinary shares	9	70,000	-	-	**70,000**
Total transactions with owners and other transfers		**70,000**	**-**	-	**70,000**
Balance at 30 June 2017		**51,248,114**	**(51,369,709)**	-	**(121,595)**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2017

	Note	Company 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	7,270,558
Payments to suppliers and employees		(230,297)	(12,192,198)
Interest received		3	88,9000
Finance costs		-	(13,069)
Tax refund		57,273	2,225,519
Net cash used in operating activities	14	**(173,021)**	**(2,620,290)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(7,782)
Proceeds from disposal of property, plant and equipment		-	971,778
Net cash provided by investing activities		**-**	**963,993**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		70,000	640,000
Capital raising costs paid		-	(17,438)
Net cash provided by financing activities		**70,000**	**622,562**
Net decrease in cash held		(103,021)	(1,033,735)
Cash and cash equivalents at beginning of year		107,281	1,141,016
Cash and cash equivalents at end of year	5	**4,260**	**107,281**

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2017

These financial statements and notes represent those of Augend Limited (the Company) for the year ended 30 June 2017.

For the year ended 30 June 2016, the consolidated financial statements and notes represent those of Augend Limited (the Company) and its Controlled Entities (the Group). The separate financial statements of the parent entity, Augend Limited, have not been presented within the financial report as permitted by the *Corporations Act 2001.*

Augend Limited is a public company incorporated and domiciled in Australia. The Company was incorporated on 28 March 2011, and listed on the Australian Securities Exchange on 7 December 2011.

The financial statements were authorised for issue on 29 August 2017 by the directors of the Company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

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

As disclosed in the financial statements, the company incurred loss of $253,673 and net cash outflows from operating activities of $173,021 for the year ended 30 June 2017. As at that date, the company had net current liabilities of $121,595 and net liabilities of $121,595.

These factors indicate a material uncertainty which may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that Augend Limited will continue as a going concern as the company has announced that it has entered into a binding term sheet to acquire 100% of the issued capital of ITM Corporation Ltd. The company will undertake a capital raising of at least $4,000,000 and up to $6,000,000 to provide funding for future operations of the company.

Accordingly, the Directors believe that Augend Limited will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Augend Limited, and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'non-controlling interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business Combinations
Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs (with the exception of stamp duty) incurred in relation to business combinations are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(a) Income Tax

The income tax expense for the year comprises current income tax expense (benefit) and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities 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 year as well as unused tax losses.

Current and deferred income tax expense 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.

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, branches, associates, and joint ventures, 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. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation Legislation

Augend Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 23 September 2011. This was terminated on 23 March 2016 when the company entered into a Deed of Company Arrangement and all subsidiaries were liquidated.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(c) Financial Instruments

Recognition and Initial Measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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

(iii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

Impairment
At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Impairment
When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 discharged, cancelled or expired. 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.

(e) Foreign Currency Transactions and Balances

Functional and Presentation Currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

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

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

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

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(f) Employee Benefits

Short-Term Employee Benefits
Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits
Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement Benefit Obligations
Defined Contribution Superannuation Benefits
All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Equity-Settled Compensation
The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share based payments reserve. The fair value of options is determined using the Black-Scholes pricing model. The fair value of performance rights issued is determined using the Monte Carlo method.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

The employee share ownership plan is administered by the Augend Equity Plan trust (Trust). When options and performance rights are exercised, the Trust transfers the appropriate number of shares to the employee. Any proceeds received, net of directly attributable costs, are credited directly to equity.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue and Other Income
Revenue is measured at the fair value of the consideration received or receivable. Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and Other Receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within twelve months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(k) Inventories
Inventory includes goods available for sale, and material and spare parts to be used in constructing and maintaining the assets held by the Group, as well as stock held for the provision of catering services. Inventories are valued at the lower of cost and net realisable value.

Net realisable value of items expected to be consumed, for example used in the construction of another asset, is the net value expected to be earned through future use.

(l) Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Unearned Revenue
Revenue received in advance is deferred and recognised as a current liability. Unearned revenue is recognised as revenue in the statement of comprehensive income when the service or event to which the revenue relates has occurred.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(o) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The company deconsolidated its controlled entities from the financial statements on 5 February 2016 when all the subsidiary companies were placed into receivership, at which point control was lost. Therefore, the statement of comprehensive income, statement of financial position, the statement of cash flows and the statement of changes in equity for the year ended 30 June 2017 were that of the company only.

(q) Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

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

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

(t) Critical Accounting Estimates and Judgments
The directors evaluate estimates and judgments incorporated into the financial statements 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 Group.

Key Estimates

(i) *Impairment – General*

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

Notes to the financial statements for the year ended 30 June 2017
Note 1: Summary of Significant Accounting Policies (continued)

(u) New Accounting Standards for Application in Future Periods
Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period 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.

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

(i) AASB 9 Financial Instruments (applicable to annual reporting periods beginning on or after 1 January 2018);
(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018); and
(iii) AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

The Company does not expect to adopt the new standards before their operative date. As the Company is currently dormant, the impact of the new standards is not expected to have a material impact on the Company.

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

Note 2: (Loss)/ Profit from ordinary activities

	Company	Consolidated
	2017	2016
Revenue	$	$
From Continuing Operations		
Interest revenue	3	88,900
Total revenue and other income from continuing operations	**3**	**88,900**

Expenses

(Loss)/Profit before income tax from continuing operations includes the following specific expenses:		
Share based payments expense unwound on lapse of options	-	(221,094)
Impairment charges		
Property, plant and equipment	-	384,184
	-	**384,184**
Finance costs		
Interest and finance charges paid	-	10,743
	-	**10,743**

Notes to the financial statements for the year ended 30 June 2017

Note 3: Discontinued Operations
On 5 February 2016 all subsidiary companies were placed into receivership, at which point control was lost. The financial performance and cash flow information for the discontinued operations to the date of disposal are as follows:

(a) Financial performance and cash flow information

	2017 $	2016 $
Revenue	-	6,770,140
Expenses		
Direct costs	-	(7,668,437)
Depreciation and amortisation expense	-	(518,045)
Employee benefits expense	-	(2,679,746)
Finance costs	-	(2,326)
Impairment of assets	-	(9,887,716)
Administration and other expenses	-	(2,369,138)
Loss on disposal of subsidiaries	-	(7,543,787)
Gain on disposal of PP&E	-	471,361
Loss before income tax	**-**	**(23,427,694)**
Income tax expense	-	(713,905)
Loss from discontinued operations (after tax)	**-**	**(24,141,599)**

	2017 $	2016 $
Net cash (used in) operating activities	-	(1,049,609)
Net cash provided by investing activities	-	963,775
Net cash flow used by the discontinued operation	**-**	**(85,834)**

(b) The assets and liabilities of the discontinued subsidiaries as at 5 February 2016 are as follows:

	2016 $
Property, plant and equipment	6,702,520
Inventory	482,454
Trade receivables	358,813
Total assets	**7,543,787**
Liabilities assumed by parent	5,556,493
Total liabilities	**5,556,493**
Net assets	**1,987,294**

Notes to the financial statements for the year ended 30 June 2017

Note 3: Discontinued Operations (continued)

(c) The gain on sale of the division has been calculated as follows:

	2016 $	2015 $
Consideration received/receivable - cash	-	12,510,000
Transaction costs	-	(736,000)
Liabilities assumed by parent	(5,556,493)	-
Total disposal consideration	**(5,556,493)**	**11,774,000**
Carrying amount of net assets disposed	(1,987,294)	(23,996,000)
Loss on disposal before income tax	**(7,543,787)**	**(12,222,000)**
Income tax expense	-	-
Loss on disposal after income tax	**(7,543,787)**	**(12,222,000)**

Note 4: Income Tax Expense

	Company 2017 $	Consolidated 2016 $
a) The components of tax expense comprise:		
Current tax		
Current tax on profits for current year	-	-
Adjustments for current tax of prior periods	-	(2,226,335)
Total current tax expense	**-**	**(2,226,335)**
Deferred tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**-**	**-**
Income tax expense	**-**	**-**
Income tax expense is attributable to:		
Profit from continuing operations	-	(2,940,240)
Profit from discontinued operation	-	713,905
	-	**(2,226,335)**

Notes to the financial statements for the year ended 30 June 2017

b) The prima facie tax on (loss)/profit from ordinary activities before income tax is reconciled to income tax as follows:		
(Loss)/Profit from continuing operations before income tax expense	(253,673)	3,559,498
(Loss)/Profit from discontinuing operation before income tax expense	-	(23,427,694)
	(253,673)	**(19,868,196)**
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2016: 30%)	(76,102)	(5,960,459)
Add tax effect of:		
• Other non-allowable items	-	966,285
• DTA arising from discontinued operations not brought to account	-	4,994,174
• Overprovision for income tax in prior year	-	(2,226,335)
	(76,102)	(2,226,335)
Less tax effect of:		
• Deductible employee share scheme contributions	-	-
Deferred tax asset on tax losses not brought forward *	76,102	-
Income tax attributable to entity	**-**	**(2,226,335)**

*Following the recapitalisation of the company and the change in the nature of the business, all previous carried forward tax losses were forfeited.

Note 5: Cash and Cash Equivalents

	Company	**Consolidated**
	2017	**2016**
	$	**$**
Cash at bank and on hand	4,260	107,281
Total cash and cash equivalents	**4,260**	**107,281**

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Company	**Consolidated**
	2017	**2016**
	$	**$**
Cash and cash equivalents	4,260	107,281
	4,260	**107,281**

Risk Exposure

The Company’s exposure to interest rate risk is discussed in Financial Risk Management note. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Notes to the financial statements for the year ended 30 June 2017

Note 6: Trade and Other Receivables

	Company	Consolidated
	2017	**2016**
	$	**$**
GST receivable	2,125	-
Total trade and other receivables	**2,125**	**-**

Provision for doubtful debts

The movement in the allowance for impairment of trade receivables recognised in provision for doubtful debts during the year was as follows:

	Company	Consolidated
	2017	**2016**
	$	**$**
Opening balance	-	(161,000)
Amounts written off	-	161,000
Closing balance	**-**	**-**

Other classes within trade and other receivables do not contain impaired assets. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Note 7: Trade and Other Payables

	Company	Consolidated
	2017	**2016**
	$	**$**
Accrued expenses	36,000	45,203
Total trade and other payables	**36,000**	**45,203**

Note 8: Borrowings

	Company	Consolidated
	2017	**2016**
	$	**$**
Loan – ITM Corporation Limited	91,980	-
Total borrowings	**91,980**	**-**

Notes to the financial statements for the year ended 30 June 2017

Note 9: Issued Capital

	2017 Shares	2016 Shares	2017 $	2016 $
a) Issued Capital				
Ordinary shares – fully paid	90,044,877	83,044,877	51,248,114	51,178,114
Total issued capital	**90,044,877**	**83,044,877**	**51,248,114**	**51,178,114**

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised share capital.

b) Movements in Ordinary Share Capital during the Year

Date	Details	Note	#	Issue Price	$
01 Jul 2016	Opening balance		83,044,877		51,178,114
1 August 2016	Share issue	(i)	2,000,000	$0.01	20,000
30 Nov 2016	Share issue	(ii)	5,000,000	$0.01	50,000
Transaction costs arising on share issue					-
			90,044,877		**51,248,114**

i) On 1 August 2016, 2,000,000 ordinary shares were issued at $0.01 per share.

ii) On 30 November 2016, 5,000,000 ordinary shares were issued at $0.01 per share.

c) Capital Management

Management controls the capital of the Company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by its assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The capital management strategy adopted by management to control the capital of the Company continues to be monitored and reviewed as business trading conditions change.

Notes to the financial statements for the year ended 30 June 2017

Note 10: Earnings Per Share

	2017 Cents	**2016 Cents**
a) Basic Loss Per Share		
From continuing operations attributable to the ordinary equity holders of the Company	(0.3)	287.0
From discontinued operations attributable to the ordinary equity holders of the Company	-	(1,066.0)
Total basic loss per share attributable to the ordinary equity holders of the Company	**(0.3)**	**(799.0)**

b) Diluted Loss Per Share		
From continuing operations attributable to the ordinary equity holders of the Company	(0.3)	287.0
From discontinued operations attributable to the ordinary equity holders of the Company	-	(1,066.0)
Total diluted loss per share attributable to the ordinary equity holders of the Company	**(0.3)**	**(799.0)**

c) Reconciliation of Loss Used in Calculating Earnings Per Share

	2017 $	**2016 $**
Basic Loss per Share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	(253,673)	6,499,738
From discontinued operations	-	(24,141,599)
	(253,673)	**(17,641,861)**
Diluted Loss per Share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:		
From continuing operations	(253,673)	6,499,738
From discontinued operations	-	(24,141,599)
	(253,673)	**(17,641,861)**

d) Weighted Average Number of Shares Used as the Denominator

	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	87,792,822	2,264,700
Adjustments for calculation of diluted earnings per share:		
• Options	-	-
• Performance rights	-	-
Weighted average number of ordinary shares and potential ordinary share used as the denominator in calculating diluted earnings per share	87,792,822	2,264,700

Notes to the financial statements for the year ended 30 June 2017

Note 11: Related Party Transactions

Related Party Transactions for the Year Ended 30 June 2016
Due to the turnover of previous staff and officers, the parent company being subject to external administration and the liquidation of all subsidiaries, complete accounting records for the Group have not been able to be located. For the year ended 30 June 2016, detailed accounting records are not available to allow the completion of this information prior to that date.
The information presented below for the year ended 30 June 2017.

a) Related Parties
The Company's main related parties are as follows:
(i) Key Management Personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 12.

(ii) Other Related Parties
Other related parties include entities over which key management personnel have joint control.

b) Other Transactions with KMP and/or their Related Parties

(i)Receivable from and payable to key management personnel and their related parties are as follows:
The following balances are outstanding at the reporting date in relation to transactions with key management personnel and their related parties:

	30 June 2017
	$
Payable to Robert Di Russo, director	6,000
Payable to Charterhouse Capital Pty Ltd (director related entity of Keong Chan)	10,000

(ii) Transactions with key management personnel and their related parties
There is no transactions with key management personnel and their related parties for the year ended 30 June 2017.

(iii) Loan with key management personnel and their related parties
There is no loan with key management personnel and their related parties for the year ended 30 June 2017.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to the financial statements for the year ended 30 June 2017

Note 12: Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2017.

Remuneration Details for the Year Ended 30 June 2016
Due to the turnover of previous staff and officers, the parent company being subject to external administration and the liquidation of all subsidiaries, complete accounting records for the Group have not been able to be located. For the year ended 30 June 2017 this has led to insufficient information being available to support several material transactions and the disclosures required in the remuneration report.

The Directors are of the opinion that it is not possible to state that the audited Remuneration Report disclosures, financial statements and notes are in accordance with the requirements of the Corporations Act 2001, due to the lack of records and certainty in connection with material transactions during the year ended 30 June 2016. The current Directors did not receive remuneration for the financial year ended 2016.

The total of remuneration paid to KMP of the Company for the year ended 30 June 2017 are as follows:

	2017 **$**	**2016** **$**
Short-term employee benefits	31,500	-
Total KMP compensation	**31,500**	**-**

Notes to the financial statements for the year ended 30 June 2017

Note 13: Auditor's Remuneration

	Company 2017 $	Consolidated 2016 $
Remuneration of the auditor for:		
BDO Audit Pty Ltd		
• Audit or review of the financial statements	39,280	27,500
RSM Australia Partners		
• Audit of the financial statements	10,000	-
	49,280	27,500

Note 14: Cash Flow Information

	Company 2017 $	Consolidated 2016 $
a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(253,673)	(17,641,861)
Non-cash flows in profit:		
• Depreciation	-	566,632
• Impairment expense	-	10,271,900
• Net gain on disposal of property, plant and equipment	-	79,942
• Share based payments	-	(221,094)
• Loss on disposal of subsidiaries	-	6,941,387
• Gain on settlement of Deed of Company Arrangement	-	(6,347,565)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
• Trade and term receivables	-	642,176
• Inventory	-	(47,584)
• Trade payables and other creditors	82,777	3,850,272
• GST	(2,125)	-
• Income taxes payable	-	(816)
• Payment for DOCA arrangement	-	(393,583)
• Provisions	-	(320,096)
Cash flow from operating activities	(173,021)	(2,620,290)

Notes to the financial statements for the year ended 30 June 2017

Note 15: Dividends

a) **Ordinary shares**
No dividend was paid or declared for the year ended 30 June 2016 and 30 June 2017.

b) **Franked dividends**

	Parent entity	
	2017	**2016**
	$	**$**
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2016 – 30%)	13,495,000	13,495,000

The above amount represents the balance of the franking account as at the end of the reporting period. It has not been adjusted for any decrease in franking credits that may arise from the amended tax returns lodged by the Company subsequent to year end.

Note 16: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Company	**Consolidated**
		2017	**2016**
	Note	**$**	**$**
Financial Assets			
Cash and cash equivalents	5	4,260	107,281
Trade and other receivables [1]	6	2,125	-
Total financial assets		6,385	107,281

		Company	**Consolidated**
		2017	**2016**
	Note	**$**	**$**
Financial Liabilities			
Trade and other payables	7	36,000	45,203
Borrowings	8	91,980	-
Total financial liabilities		127,980	45,203

(1) Excludes prepayments.

Financial Risk Management Policies

The overall setting and management of the Company's financial risk policies is the responsibility of the Board of Directors. The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging, derivative instruments, credit risk policies and future cash flow requirements.

Notes to the financial statements for the year ended 30 June 2017

Note 16: Financial Risk Management (Continued)

Specific Financial Risk Exposures and Management
The main risks the Company is exposed to through its financial instruments are credit, liquidity and interest rate risk.

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and procedures for managing or measuring the risks from the previous period.

1. Credit Risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the invoice date.

Credit risk exposures
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Trade and Other Receivables note.

Credit risk related to balances with banks is managed by the board of directors in accordance with approved board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

		Company	Consolidated
		2017	**2016**
	Note	**$**	**$**
Cash and cash equivalents:			
• AA- rated		4,260	107,281
Total cash and cash equivalents	5	4,260	107,281

2. Liquidity Risk
Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Obtaining funding from a variety of sources;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Company has no control over the timing of any potential settlement of the liabilities.

Notes to the financial statements for the year ended 30 June 2017

Note 16: Financial Risk Management (continued)

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability Maturity Analysis

		Within 1 Year		1 to 5 Years		Total	
		Company	Consolidated	Company	Consolidated	Company	Consolidated
	Note	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Financial liabilities due for payment							
Trade and other payables	7	36,000	45,203	-	-	36,000	45,203
Borrowings	8	91,980	-	-	-	91,980	-
Total contractual outflows		127,980	45,203	-	-	127,980	45,203
Total expected outflows		127,980	45,203	-	-	127,980	45,203

3. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments which primarily expose the Company to interest rate risk are cash and cash equivalents. Interest rate risk is managed using appropriate fixed interest and other hedging arrangements as determined by the Board.

Sensitivity Analysis

At 30 June 2017, the Company had no borrowings with interest payable on the principal and therefore interest rate risk is negligible and sensitivity analysis has not been performed.

Notes to the financial statements for the year ended 30 June 2017

Note 17: Operating Segments

In the financial year ended 30 June 2016, all segments were discontinued and written off after the appointment of receivers to the subsidiary companies. The information presented below for the year ended 30 June 2016 represents a description of the segments that existed prior to the appointment of the current Directors. A detailed operating segment note is not presented, based on the limited information available during the 30 June 2016 financial year.

For the year ended 30 June 1017, the Company consists of a single segment as the company is dormant, as reported to the current Directors.

a) Description of Segments
The Company has determined the operating segments based on the internal reports reviewed by the Board of Directors that are used to make strategic decisions.

Drill Rigs
Owned and operated drilling rigs

Camps
Provided portable temporary camp hire and camp management services to remote sites.

Catering
Provided catering and camp management services.

Logistics
Provided water and waste transportation services to camps.

Note 18: Contingent Asset and Contingent Liabilities

The Company has no contingent assets and contingent liabilities as at 30 June 2017.

Note 19: Events After the end of the Reporting Period

The Company will be holding a general meeting on 12 September 2017 to bring effect the acquisition of ITM Corporation Limited including a capital raising of up to $6 million to issue up to 75,000,000 shares (on a post-consolidation basis).

Except for the above, no other matters or circumstances have arisen since the end of the financial year that significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 20: Commitments

The Company has no capital or other expenditure commitments as at 30 June 2017.

Note 21: Company Details
The registered office and principal place of business of the Company is:
Suite 8, 1297 Hay Street,
West Perth, WA, 6005.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The attached financial statements and notes are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements and:

   a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company.

2. Subject to the matters described in Note 1 to the financial statements, in the directors' opinion, there are reasonable grounds to believe that Augend Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s295A of the Corporations Act 2001.

On behalf of the directors

Keong Chan
Director

Perth, 29 August 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUGEND LIMITED

Disclaimer of Opinion

We were engaged to audit the financial report of Augend Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

On 21 December 2015, Augend Limited (then known as Titan Energy Services Limited) was placed into voluntary administration. Following the appointment of the administrators (and subsequently liquidators to the subsidiaries), the powers of the directors of Augend Limited were suspended and the administrators (and subsequently liquidators to the subsidiaries) assumed control of these companies' business, property and affairs.

Due to the circumstances, the directors were unable to obtain all the necessary books and records pertaining to the consolidated entity. New directors were appointed 14 April 2016. On 17 June 2016, the Company was released from administration following the settlement of a Deed of Company Arrangement.

Accordingly, we were unable to determine whether adjustments might have been necessary in respect of the financial position as at 30 June 2016 and financial performance, including cash flows, for the year then ended. Whilst we have not become aware of any matter that makes us believe that the amounts recorded in the statement of financial position as at 30 June 2017 are materially misstated, the impact of opening balances on financial performance and cash flows for the year ended 30 June 2017 prevents us from expressing an opinion on the financial report as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Augend Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 29 August 2017

TUTU PHONG
Partner