

SelfWealth Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	SelfWealth Ltd
ABN:	52 154 324 428
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$'000
Revenues from continuing operations	up	1,219% to	278
Loss from ordinary activities after tax attributable to the owners of SelfWealth Ltd	up	259% to	2,459
Loss for the half-year attributable to the owners of SelfWealth Ltd	up	259% to	2,459

Dividends

	Amount per security Cents	Franked amount per security Cents
No dividends were declared or paid for the half years ended 31 December 2016 and 31 December 2017.	-	-

Comments

The loss for the Company after providing for income tax amounted to \$2,459,118 (31 December 2016: \$684,171).

Sales revenue categorised above as 'continuing operations' increased from \$20,858 for half-year ended 31 December 2016 to \$277,705 for the half-year ended 31 December 2017. This was due to an increase in trading revenue, interest revenue and member subscriptions.

Other revenues decreased from \$862,924 for half-year ended 31 December 2016 to \$241,933 for the half-year ended 31 December 2017. This was largely due to a change in recognition by the Company of R&D tax incentive income. Accrual accounting was applied to recognise an R&D tax incentive income accrual of \$230,571 for the for half-year ended 31 December 2017. In the previous corresponding half-year ended 31 December 2016 the Company recognised receipt of a \$858,125 R&D tax incentive income for the full year ended 30 June 2016 due to the claim not being able to be reliably measured at the previous balance date. All future amounts will be recognised on an accrual basis at balance date if the expected amount of the incentive can be reliably measured and receipt is deemed probable.

The financial position of the Company remains strong with SelfWealth having raised \$7.34M from its ASX IPO listing in November 2017. These funds will be used to support ongoing operations and to increase marketing expenditure to broaden market awareness of the Company's current and proposed market offerings.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary share	<u>4.82</u>	<u>2.08</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. There were no disputes or qualifications.

8. Attachments

Details of attachments (if any):

The Interim Report of SelfWealth Ltd for the half-year ended 31 December 2017 is attached.

9. Signed

Signed _____



Andrew Ward
Director

Date: 8 February 2018

SelfWealth Ltd

ABN 52 154 324 428

Interim Report - 31 December 2017

SelfWealth Ltd
Directors' report
31 December 2017

The directors present their report, together with the financial statements, of SelfWealth Ltd (referred to hereafter as 'SelfWealth' or 'the Company') for the half-year ended 31 December 2017.

Directors

The following persons were directors of SelfWealth Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Tony Lally (appointed Chairman 26 July 2017)
Andrew Ward
John Gaffney
John O'Shaughnessy (appointed 22 August 2017)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Online \$9.50 flat fee share trading services
- Online investor community portal services

Review of operations

The loss for the Company after providing for income tax amounted to \$2,459,118 (31 December 2016: \$684,171).

SelfWealth successfully raised \$7.34M from its ASX IPO listing in November 2017. These funds will be used to support ongoing operations and to increase marketing expenditure to broaden market awareness of the Company's current and proposed market offerings.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half-year other than highlighted above.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Ward
Director

8 February 2018
Melbourne

Independent Auditor's Review Report to the Members of SelfWealth Limited

Report on the half year financial report

We have reviewed the accompanying half-year financial report of SelfWealth Limited ("Company"), which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of SelfWealth Limited's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SelfWealth Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of SelfWealth Limited is not in accordance with the *Corporations Act 2001*, including:

- I. giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- II. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



CROWE HORWATH MELBOURNE



DAVID MUNDAY
Partner

Melbourne, Victoria
8 February 2018

SelfWealth Ltd
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General information

The financial statements cover SelfWealth Ltd at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is SelfWealth Ltd's functional and presentation currency.

SelfWealth Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 2
613 Canterbury Road
Surrey Hills, VIC 3127

Principal place of business

Level 2
613 Canterbury Road
Surrey Hills, VIC 3127

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 February 2017.

SelfWealth Ltd
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

	Note	31 Dec 2017	31 Dec 2016
Revenue	3	519,638	883,782
Expenses			
Cost of sales		(359,112)	(231,553)
Advertising and promotional expenses		(887,615)	(135,083)
Employee benefits expense		(1,007,381)	(964,289)
Other expenses		(378,514)	(223,467)
Depreciation and amortisation expense		(13,923)	(1,561)
IPO costs		(332,211)	(12,000)
Profit before income tax expense		(2,459,118)	(684,171)
Income tax expense		-	-
Profit after income tax expense for the half-year		(2,459,118)	(684,171)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u>(2,459,118)</u>	<u>(684,171)</u>
		Cents	Cents
Basic earnings per share	4	(2.47)	(0.61)
Diluted earnings per share	4	(2.47)	(0.61)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

SelfWealth Ltd
Condensed statement of financial position
As at 31 December 2017

Note 31 Dec 2017 30 Jun 2017

Assets

Current assets

Cash and cash equivalents	4,339,811	1,743,334
Financial assets	2,000,000	-
Trade and other receivables	451,311	893,364
Prepayments	260,498	49,146
Total current assets	<u>7,051,620</u>	<u>2,685,844</u>

Non-current assets

Property, plant and equipment	37,270	39,428
Total non-current assets	<u>37,270</u>	<u>39,428</u>

Total assets

7,088,890 2,725,272

Liabilities

Current liabilities

Trade and other payables	610,364	387,900
Deferred revenue – prepaid trades	31,991	24,261
Receivable finance facility	-	569,790
Employee provisions	142,887	91,897
Total current liabilities	<u>785,242</u>	<u>1,073,848</u>

Non-current liabilities

Employee provisions	61,423	44,450
Total non-current liabilities	<u>61,423</u>	<u>44,450</u>

Total liabilities

846,665 1,118,298

Net assets

6,242,225 1,606,974

Equity

Issued capital	5	18,087,117	11,339,211
Accumulated losses		(12,311,472)	(9,852,354)
Reserves		466,580	120,117

Total equity

6,242,225 1,606,974

The above statement of financial position should be read in conjunction with the accompanying notes

SelfWealth Ltd
Condensed statement of changes in equity
For the half-year ended 31 December 2017

	Issued Capital	Accumulated Losses	Share Benefits Reserve	Total equity
Balance at 1 July 2016	8,119,555	(6,624,431)	113,818	1,608,942
Capital raised for the half-year	3,249,601	-	-	3,249,601
Less: Equity raising costs	(114,500)	-	-	(114,500)
Share based payments	-	-	-	-
Loss after income tax expense for the year	-	(684,171)	-	(684,171)
Balance at 31 December 2016	<u>11,254,656</u>	<u>(7,308,602)</u>	<u>113,818</u>	<u>4,059,872</u>
	Issued Capital	Accumulated Losses	Share Benefits Reserve	Total equity
Balance at 1 July 2017	11,339,211	(9,852,354)	120,117	1,606,974
Capital raised for the half-year	7,835,500	-	-	7,835,500
Less: Equity raising costs	(1,087,594)	-	-	(1,087,594)
Share based payments	-	-	346,463	346,463
Loss after income tax expense for the year	-	(2,459,118)	-	(2,459,118)
Balance at 31 December 2017	<u>18,087,117</u>	<u>(12,311,472)</u>	<u>466,580</u>	<u>6,242,225</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

SelfWealth Ltd
Condensed statement of cash flows
For the half-year ended 31 December 2017

	31 Dec 2017	31 Dec 2016
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	263,098	16,204
Payments to suppliers and employees (inclusive of GST)	<u>(2,954,905)</u>	<u>(1,376,150)</u>
	(2,691,807)	(1,359,946)
Interest paid	(36,041)	(10,932)
Interest received	11,357	4,799
Research and development tax credit received	<u>725,933</u>	<u>862,834</u>
Net cash used in operating activities	<u>(1,990,558)</u>	<u>(503,245)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,051)	(1,298)
Payments for intellectual property	(11,686)	(6,046)
Payments for financial assets	(2,000,000)	-
Proceeds from loans to other entities	<u>8,586</u>	<u>-</u>
Net cash used in investing activities	<u>(2,005,151)</u>	<u>(7,344)</u>
Cash flows from financing activities		
Proceeds from share issues	7,835,500	3,249,601
Transaction costs related to share issues	(673,524)	(114,500)
Repayment of borrowings	<u>(569,790)</u>	<u>-</u>
Net cash from financing activities	<u>6,592,186</u>	<u>3,135,101</u>
Net increase/(decrease) in cash and cash equivalents	2,596,477	2,624,512
Cash and cash equivalents at the beginning of the financial half-year	<u>1,743,334</u>	<u>398,793</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>4,339,811</u></u>	<u><u>3,023,305</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

SelfWealth Ltd
Notes to the financial statements
31 December 2017

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2016-1: Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2: Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

The adoption of these amending standards do not have any material impact on the disclosures or amounts recognised in the Company's half-year financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

In the current and comparative period, the Company has operated as a single segment being online trading services. Therefore, no segmental analysis of the financial position or the financial performance of the Company is possible.

Note 3. Revenue

	31 Dec 2017	31 Dec 2016
<i>Sales revenue</i>		
Trading revenue	188,701	11,303
Interest revenue	83,893	4,625
Member subscriptions	5,111	896
Other services	-	4,034
	<u>277,705</u>	<u>20,858</u>
<i>Other revenue</i>		
Interest income	11,362	4,799
R&D tax incentive income	230,571	858,125
	<u>241,933</u>	<u>862,924</u>
Revenue	<u>519,638</u>	<u>883,782</u>

Note 4. Earnings per share

	31 Dec 2017 Shares	31 Dec 2016 Shares
The weighted average number of ordinary shares outstanding during the period used in the calculations of:		
Basic earnings per share	<u>99,407,230</u>	<u>111,838,453</u>
Diluted earnings per share	<u>99,407,230</u>	<u>111,838,453</u>

Diluted earnings per share is the same as basic earnings per share as the Company incurred a loss for current and comparative periods and therefore the Company's potential ordinary shares are not considered dilutive.

Note 5. Equity - Issued capital

	31 Dec 2017 Shares	30 Jun 2017 Shares	31 Dec 2017	30 Jun 2017
Ordinary shares - fully paid	<u>129,455,280</u>	<u>137,467,341</u>	<u>18,087,117</u>	<u>11,339,211</u>

Movements in ordinary share capital

Details	No of shares	
Balance 1 July 2017	137,467,341	11,339,211
Share Consolidation adjustment	(47,467,341)	-
Balance post adjustment	<u>90,000,000</u>	<u>11,339,211</u>
Share issue at 18 cents per share pre-IPO	2,777,780	500,000
Share issue at 20 cents per share at IPO	36,677,500	7,335,500
Share issue transaction costs	-	(1,087,594)
Balance 31 December 2017	<u>129,455,280</u>	<u>18,087,117</u>

The Company undertook a share consolidation on 29 August 2017 and 137,467,341 shares consolidated to 90,000,000 shares.

Note 6. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2017.

Note 7. Events after the reporting period

The successful transition of SelfWealth's back end platform services to Open Markets in January 2018, is the only event that has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

SelfWealth Ltd
Directors' declaration
31 December 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Ward
Director

8 February 2018
Melbourne

Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of SelfWealth Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2017 there have been no contraventions of:

- a) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b) Any applicable code of professional conduct in relation to the review.



CROWE HORWATH MELBOURNE



DAVID MUNDAY
Partner

Melbourne, Australia
8 February 2018