

VSERV FEDERATION LIMITED

ACN: 636 569 634

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

**VSERV FEDERATION LIMITED
DIRECTORS REPORT
FOR THE PERIOD ENDED 30 JUNE 2020**

The directors present their report together with the financial report of Vserv Federation Limited for the financial period ended 30 June 2020.

DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Peter Christie	(appointed 2 October 2019)
Lisa Cesare	(appointed 2 October 2019) (Resigned 18 December 2019)
Suzanna Christie	(appointed 2 October 2019) (Resigned 18 December 2019)
Stuart Karchinski	(appointed 18 December 2019)
Christopher Daly	(appointed 18 November 2019)

Mr Jack Toby also acts as the Company Secretary appointed 2 October 2019.

The directors have been in office since the date of incorporation 2 October 2019 to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Company is in information technology related business involving unique edge to cloud integrated service.

RESULTS

The loss of the company for the financial period amounted to \$558,566.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported in the subsequent events section below, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

ENVIRONMENTAL REGULATION

The Company's operations are subject to the relevant State and Commonwealth regulations pertaining to information technology. The Directors do not believe the Company to be in breach of these regulations.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

LIKELY DEVELOPMENTS

Please refer to the events subsequent to the reporting date paragraph above.

**VSERV FEDERATION LIMITED
DIRECTORS REPORT
FOR THE PERIOD ENDED 30 JUNE 2020**

The directors intend to continue work to prepare the Company for listing on the Australian Securities Exchange.

DIVIDENDS

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

SHARE OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of 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 these proceedings. The Company was not a party to any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:



Peter Christie

Dated at Perth: 25th day of September 2020

**VSERV FEDERATION LIMITED
DIRECTORS DECLARATION**

As described in the basis of preparation accounting policy included in note 2 to the financial statements, the Company is a reporting entity and these are general purpose financial statements

In accordance with a resolution of the directors of Vserv Federation Ltd A.C.N. 636 569 634 ("Company"), I state that:

In the opinion of the directors:

- 1) the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:
 - a) complying with International Financial Reporting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2020 and of the performance for the period ended on that date; and
- 2) in the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors.

Peter Christie

Director



25 September 2019

Perth, Western Australia

25 September 2020

Board of Directors
The Directors
Vserv Federation Limited
Level 28, 140 St George Terrace
Perth WA 6000

Dear Directors

RE: VSERV FEDERATION LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Vserv Federation Limited.

As the Audit Director for the audit of the financial statements of Vserv Federation Limited for the period ended 30 June 2020, 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.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

VSERV FEDERATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME FOR
THE PERIOD ENDED 30 JUNE 2020**

	From 2 October 2019 to 30 June 2020 \$
INCOME	
Interest received	19
Cash boost Stimulus	74,784
TOTAL INCOME	<u>74,803</u>
EXPENSES	
Legal and professional fees	(261,488)
Travelling expenses	(3,893)
Wages and salaries	(346,143)
Other expenses	(21,845)
TOTAL EXPENSES	<u>(633,369)</u>
PROFIT BEFORE TAX	<u>(558,566)</u>
Income tax expense	-
NET LOSS FOR THE PERIOD	<u>(558,566)</u>
OTHER COMPREHENSIVE INCOME	
Items that may be classified to profit and loss	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(558,556)</u>
The accompanying notes form an integral part of the financial statements.	

VSERV FEDERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$
CURRENT ASSETS		
Cash and cash equivalents	5	131,899
Trade and Other Receivables		<u>35,454</u>
TOTAL CURRENT ASSETS		<u>167,353</u>
NON-CURRENT ASSET		
Property, plant and equipment	6	<u>-</u>
TOTAL NON-CURRENT ASSETS		<u>-</u>
TOTAL ASSETS		<u>167,353</u>
CURRENT LIABILITIES		
Trade and other payables	7	184,178
Provisions		<u>10,013</u>
TOTAL CURRENT LIABILITIES		<u>194,191</u>
NET ASSETS DEFICIENCY		<u>(26,838)</u>
EQUITY		
Share capital	8	531,728
Accumulated losses		<u>(558,566)</u>
TOTAL EQUITY		<u>(26,838)</u>

The accompanying notes form an integral part of the financial statements.

VSERV FEDERATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

	Share Capital	Capital raising costs	Accumulated losses	Total Equity
Balance at 1 July 2019	-	-	-	-
Share capital issued	640,078			640,078
Capital raising costs		(108,350)		(108,350)
Reported loss for the period			(558,566)	(558,566)
Balance at 30 June 2020	640,078	(108,350)	(558,566)	(26,838)

The accompanying notes form an integral part of the financial statements.

VSERV FEDERATION LIMITED

STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2020 \$
OPERATING ACTIVITIES		
Receipts from cash boost stimulus		39,330
Payment to supplier & employees		(433,953)
Interest received		19
Net cash outflow from operating activities		<u>(394,604)</u>
INVESTING ACTIVITIES		
Payment for fixed assets	6	<u>(5,225)</u>
Net cash used in Investing activities		<u>(5,225)</u>
FINANCING ACTIVITIES		
Proceeds from share issue	8	640,078
Cost of issue of shares	8	<u>(108,350)</u>
Net cash from financing activities		<u>531,728</u>
Net change in cash and cash equivalents		113,899
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period	5	<u>131,899</u>

The accompanying notes form an integral part of the financial statements.

**VSERV FEDERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020**

1. Reporting Entity

Vserv Federation Limited a company limited by shares, incorporated on 2 October 2019 and domiciled in Australia. The address of the Company's registered office is Level 28, 140 George Terrace, PERTH WA 6000.

2. Basis of Preparation

a) Statement of Compliance

The directors have prepared the financial statements on the basis that the Company is a reporting entity. This financial report is therefore a general purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001.

The general purpose financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

b) Basis of Measurement

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

c) Functional and Presentation Currency

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

d) Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

e) Significant Accounting Judgements, Estimates and Assumptions

No significant judgements, estimates and assumptions were required to be made in the preparation of this financial report.

f) Going Concern

The Company reported a loss for the period of \$558,566. As at 30 June 2020, the Company has a net asset deficiency of \$26,838 and the cash outflow from operating activities for the period ended 30 June 2020 amounts to \$394,604.

The Company will be financially supported by capital raisings as and when the need arises for financial support. The Directors intend to raise new capital within the forthcoming year.

VSERV FEDERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

b) Trade and other receivables

Trade receivables mainly comprises GST receivable.

c) Trade and other payables

Other financial liabilities comprise trade and other payables.

d) Other provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions mainly comprise employee leave entitlements.

e) Other income

These mainly comprise interest receivable and cashflow boost stimulus from the ATO due to the COVID 19 pandemic.

4. Income tax

	2020
The components of income tax benefit comprise	
Current income tax benefit	-
Deferred income tax expense	-
Income tax expense reported in the consolidated statement of comprehensive income	-
Income tax expense recognised in equity	-
Accounting loss before tax	(558,566)
At the statutory income tax rate of 27.5%	(153,606)
Other non deductible expenditure for income tax purposes	(13,588)
Other adjustments	45,951
Unrecognised tax loss	121,243
Income tax expense reported in the consolidated statement of comprehensive income	-

Due to uncertainty regarding the utilisation of tax losses in future years the tax losses have not been recognised as an deferred tax asset.

VSERV FEDERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2020

5. Cash and Cash Equivalents

	2020
	\$
Cash at bank	131,899
Total cash and cash equivalents	<u>131,899</u>

6. Property, Plant and Equipment

	2020
	\$
Computer equipment	
At cost	5,225
Accumulated depreciation	<u>(5,225)</u>
Total property, plant and equipment	<u>-</u>

7. Trade and Other Payables

	2020
	\$
Superannuation payable	3,613
Trade payables	7,356
Accrued expenses	<u>173,209</u>
Total trade and other payables	<u>184,178</u>

8. Share Capital

	2020
	\$
Issued on incorporation	78
Seed capital placement	<u>640,000</u>
	640,078
Less capital raising costs	<u>(108,350)</u>
As at 30 June 2020	<u>531,728</u>

9. Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10. Commitments and contingent liabilities

The company does not have any contingent liability as at 30 June 2020.

The company does not have any commitments as at 30 June 2020 other than director/staff salary payments which can terminate with a month's notice or less and an employment agreement with director Peter Christie which the Company can terminate with 12 months' notice.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VSERV FEDERATION LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vserv Federation Limited, the Company, which comprises the statement of financial position as at 30 June 2020, the profit or loss and other comprehensive income, the changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and 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.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2(f) to the financial statements, the financial statements have been prepared on a going concern basis. For the period ended 30 June 2020, the Company's loss before tax was \$558,566 and the operating cash outflows were \$394,604. As at 30 June 2020, the Company had a net asset deficiency of \$26,838.

The ability of the Company to continue as a going concern is subject to the Company generating sufficient cash flows from its existing businesses, and/or raising further equity or loan funds to meet the Company's liabilities and commitments as they fall due. There is a material uncertainty as to when or whether these objectives will be met.

In the event the Company is not successful in generating sufficient cash flows and/or raising further equity or loan funds, the Company may not be able to continue as a going concern and the realisable value of the Company's assets may be significantly less than their current carrying values

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no Key Audit Matter to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
25 September 2020