



# **Cape Range Limited**

**ABN 43 009 289 481**

**2022 Annual Report**

**For the financial year ended 31 December 2022**

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## **Corporate Information**

### **Directors**

Mr Wayne Johnson - Non-Executive Chairman  
Mr Michael Higginson - Non-Executive Director  
Mr Gary Lim - Non-Executive Director  
Mr Raja Ahmad Raja Jallaludin – Non-Executive Director

### **Company Secretary**

Mr Michael Higginson

### **Registered Office**

36 Prestwick Drive  
Twin Waters Queensland 4564  
Tel: +61 7 5457 0557  
Fax: +61 7 5457 0557

### **Principal Place of Business**

36 Prestwick Drive  
Twin Waters Queensland 4564  
Tel: +61 7 5457 0557  
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### **Auditors**

Hall Chadwick (NSW)  
Level 40  
2 Park Street  
Sydney NSW 2000  
Tel: +61 2 9263 2600  
Fax: +61 2 9263 2800

### **Share Registry**

Advanced Share Registry Services Limited  
110 Stirling Highway  
Nedlands, Western Australia 6009  
Tel: 1300 113 258 (Australia) or +618 9389 8033 (International)  
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## Directors' Report

The Board of Directors presents the following report on Cape Range Limited (**Company**) and its controlled entities (referred to hereafter as the "consolidated entity") for the financial year ended 31 December 2022.

### 1. Directors

The following persons were Directors of the consolidated entity during the financial year and up to the date of this report. Directors were in office for this entire period unless stated otherwise.

Mr Wayne Johnson – Non-Executive Chairman  
Mr Michael Higginson – Non-Executive Director  
Mr Gary Lim – Non-Executive Director  
Mr Raja Ahmad Raja Jallaludin – Non-Executive Director

### 2. Company Secretary

Mr Higginson has been the Company Secretary since 4 March 2010. For details of Mr Higginson's experience refer below.

### 3. Principal activities

The principal activity of the consolidated entity during the financial year was to supply accounting and business intelligence software.

### 4. Dividends

No dividends have been declared or paid to shareholders at the date of this report.

### 5. Review of operations and financial results

The loss after income tax for the reporting period was \$651,915, which included an impairment charge of \$303,864 (2021: loss \$959,273 - which included an impairment charge of \$441,894).

Throughout the year, the Company's Malaysian operations experienced a modest recovery resulting in a 10% revenue increase and a 31% decline in the impairment of assets, to \$303,864.

The loss after tax for the year of \$651,915 represented a 32% improvement compared to the previous year loss of \$959,273.

Following a successful vaccination drive and the removal of movement restrictions, the Malaysian economy expanded throughout 2022, driven mainly by a rebound in consumption.

Amid the current challenging external conditions and slowing domestic growth, the economy is expected to moderate throughout 2023. Slower private consumption is now occurring, as pent-up spending (following the re-opening of the economy) dissipates and higher inflation and interest rates are adversely impacting the cost of living and disposable income.

In order to increase revenue, Biztrak has intensified its marketing and sales initiatives.

Throughout 2023, Biztrak will focus on delivering consistent and high-quality customer service and showcase its software solutions to businesses, whilst also collecting user feedback and reviews of its software solutions.

Biztrak will expand its social media campaigns in order to create positive awareness (that provide target customers with regular updates, industry news, new product releases and opportunities for engagement) along with a monthly email marketing campaign.

Furthermore, Biztrak will focus on specific tactics aimed at increasing online conversions through website optimisation, search engine marketing campaigns, social media engagement and referral marketing programs.

## Directors Report (continued)

The Company is also very pleased to announce that since the commencement of covid, all of its employees have been retained.

### 6. Significant changes in the state of affairs

There were no significant changes in the state of affairs throughout the year.

### 7. Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect the consolidated entity's operations or results in future years, or the consolidated entity's state of affairs in future years.

### 8. Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under the law of the Commonwealth, any State in Australia or under Malaysian law.

To the extent that any environmental regulations may have an incidental impact on the consolidated entity's operations, the Directors of the Company are not aware of any breach by the consolidated entity of those regulations.

### 9. Future developments, projects and business strategies

Other than that, referred to in this report, further information as to the likely development in the operations of the consolidated entity and the expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the consolidated entity and its shareholders.

### 10. Directors

The details of the Directors are:

#### Mr Wayne Johnson (Non-Executive Chairman)

Mr Johnson has over 30 years business and financial transaction experience gained in Australia, New Zealand, Asia and North America. He has extensive experience in managing businesses, corporate advisory, governance and compliance as a result of building, managing and directing public and private companies from start up to established public corporations.

Mr Johnson's hands on experience in business management and operations, often in markets undergoing significant change, is a rare attribute not held by many directors. The knowledge and skills accumulated through being at the helm of a range of successful enterprises has been at the core of his ability to drive many merger and acquisition transactions, restructures and recapitalisations. Mr Johnson's expertise spans a variety of industries, including telecommunications, electronic payments, financial services and the resources sector.

Mr Johnson is the principal of Noblemen Ventures Pty Ltd, a Sydney based corporate and investment advisory firm providing services to select public and private entities, primarily in the middle market. He also provides services as a professional director to public companies. Mr Johnson is a director of EOR Group Limited.

#### Mr Michael Higginson B.Bus (Non-Executive Director)

Mr Higginson holds a Bachelor of Business degree with majors in finance and corporate administration. Mr Higginson was formerly an executive officer with the Australian Securities Exchange. He has over 30 years expertise in public company administration, corporate finance and law, corporate governance, capital raisings, ASX Listing Rules and company secretarial duties.

Mr Higginson has held board, company secretarial and senior management positions with a number of listed public companies. Mr Higginson is a director of SportsHero Limited (ASX code: SHO) and a member of the Company's audit committee. Mr Higginson resigned as a director of Zuleika Gold Limited (ASX: ZAG) on 18 July 2022.

## Directors Report (continued)

### Mr Gary Lim (Non-Executive Director)

Mr Lim is a fellow of the Institute of Chartered Accountants in England and Wales and is a Chartered Accountant, qualified since 1984. Since qualifying, Mr Lim has been employed as a management consultant with a top 4 accounting firm and held chief financial officer roles in various diverse sectors including private healthcare, music and entertainment, disaster recovery, property, building and construction, charities and furniture manufacture and retail. Mr Lim is a director of EOR Group Limited and a member of the Company's audit committee.

### Mr Raja Ahmad Raja Jallaludin (Non-Executive Director)

Mr Jallaludin is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of CPA Australia. Mr Jallaludin is also a graduate of the Institute of Chartered Secretaries and Administrators, United Kingdom.

After completing his accounting and chartered secretaries' examinations within two years and six months in June 1974, Mr Jallaludin joined Ernst Young (then known as Turquand and Youngs) in Malaysia. In July 1983, he was admitted as a Partner of Ernst Young where he remained until he took early retirement in June 1999. As an Audit Partner, Mr Jallaludin had extensive experience in the audits of many large listed companies in various industries. Mr Jallaludin's areas of specialisation included the insurance, extractive (mining) and plantation industries. Mr Jallaludin is chair of the Company's audit committee.

## 11. Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

Director	Board Meetings		Audit Committee Meetings	
	Number of meetings eligible to attend	Number of meetings Directors attended	Number of meetings eligible to attend	Number of meetings Directors attended
Wayne Johnson	1	1	-	-
Michael Higginson	1	1	1	1
Gary Lim	1	1	1	1
Raja Jallaludin	1	1	1	1

As a consequence of travel and other restrictions imposed as a result of COVID-19, all matters required to be considered and addressed by both the Board and the Audit Committee were attended too via the circulation of information by email the execution by all Directors of circular resolutions.

### Retirement, election and continuation in office of Directors

In accordance with the Company's constitution, not less one third of the previously elected Directors will retire at the annual general meeting and, being eligible, offer themselves for re-election.

## Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Equity instruments issued on exercise of remuneration options
- F. Value of options to Directors

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. There were no executives of the Company at the date of this report. The remuneration arrangements detailed in this report are for the Non-Executive Chairman and Non-Executive Directors as follows:

Mr Wayne Johnson	Non-Executive Chairman
Mr Michael Higginson	Non-Executive Director
Mr Gary Lim	Non-Executive Director
Mr Raja Jallaludin	Non-Executive Director

### A. Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered and set to attract the most qualified and experienced candidates in the context of prevailing market conditions.

The Company embodies the following principles in its remuneration framework:

- The Board seeks independent advice on remuneration policies and practices including recommendations on remuneration packages and other terms of employment for Directors; and
- In determining remuneration, advice is sought from external consultants on current market practices for similar roles, the level of responsibility, performance and potential of the Director and performance of the Company.

In accordance with best practice corporate governance, the structure of the Non-Executive Chairman and Non-Executive Director remuneration is separate and distinct. Remuneration committee responsibilities are carried out by the full Board.

#### *Non-Executive Director/Chairman*

Fees and payments to the Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Director. Non-Executive Directors' fees and payments are reviewed not less than annually by the Board. The Non-Executive Chairman fees are determined based on competitive roles in the external market. The Chairman is not present at any discussions relating to the determination of the remuneration level.

The current base remuneration was last reviewed in April 2019. The Non-Executive Chairman receives a fixed fee for his services as a Director and payment for specific consultancy services provided to the Company.

The Company's Non-Executive Director's remuneration package contains the following key elements:

- Primary benefits – monthly Director's fees;
- Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders; and
- Consulting services where requested by the Company are paid on a commercial arm's length basis.

Retirement benefits were provided to Mr Jallaludin in the form of statutory superannuation.

The Company does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors, as such there is no performance related links to the existing remuneration policies.

## Remuneration Report (Audited) (continued)

### B. Details of remuneration

Details of the remuneration of the Directors are set out below:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	long service leave	Equity-settled shares	Equity-settled options	
2021	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
W Johnson (Chairman)	80,000	-	-	-	-	-	-	80,000
M Higginson <sup>1</sup>	67,225	-	-	-	-	-	-	67,225
G Lim	50,000	-	-	-	-	-	-	50,000
R Jallaludin	45,662	-	-	4,433	-	-	-	50,095
	242,887	-	-	4,433	-	-	-	247,320

<sup>1</sup> Includes fees paid for the provision of Company Secretarial, accounting and corporate services and the provision of the Company's registered office and principal place of business.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	long service leave	Equity-settled shares	Equity-settled options	
2022	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
W Johnson (Chairman)	80,000	-	-	-	-	-	-	80,000
M Higginson <sup>1</sup>	72,037	-	-	-	-	-	-	72,037
G Lim	50,000	-	-	-	-	-	-	50,000
R Jallaludin	45,662	-	-	4,700	-	-	-	50,362
	247,699	-	-	4,700	-	-	-	252,399

<sup>1</sup> Includes fees paid for the provision of Company Secretarial, accounting and corporate services and the provision of the Company's registered office and principal place of business.

### C. Service agreements

#### Mr Wayne Johnson

On 14 August 2017, the Non-Executive Chairman Mr Johnson entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Chairman, including remuneration of \$60,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Johnson to \$80,000 per annum.



## Remuneration Report (Audited) (continued)

### C. Service Agreements (continued)

#### *Mr Michael Higginson*

On 14 August 2017, the Non-Executive Director Mr Higginson entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum. At a Board Meeting held on 1 March 2022, it was resolved to increase the remuneration payable to Mr Higginson to \$50,000 per annum.

#### *Mr Gary Lim*

On 24 August 2017, the Non-Executive Director Mr Lim entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Lim to \$50,000 per annum.

#### *Mr Raja Jallaludin*

On 13 March 2018, the Non-Executive Director Mr Jallaludin entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Jallaludin to \$50,000 per annum.

#### Termination benefits

The Company does not have a retirement or termination policy providing payments on retirement or termination to the Directors other than the payment of any accrued and current liabilities.

### D. Share-based compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options (the 'Plan'). There are no performance requirements to be met before exercise can take place. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

The issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted provides incentive for management to improve the Company's performance. No options have been granted to the Directors or vested during the year. No shares were issued in exercise of options granted in the current year and previous years.

#### Shareholding

The number of shares in the Company held during the financial year by each Director, including their personally related parties, is set out below:

2021 Name	Balance at the start of the year	Additions	Disposals	Balance as at the end of the year
Wayne Johnson	1,693,875	-	240,000	1,453,875
Michael Higginson	1,636,250	-	-	1,636,250
Gary Lim	-	-	-	-
Raja Jallaludin	-	-	-	-
	3,330,125	-	240,000	3,090,125

## Remuneration Report (Audited) (continued)

2022 Name	Balance at the start of the year	Additions	Disposals	Balance as at the end of the year
Wayne Johnson	1,453,875	-	-	1,453,875
Michael Higginson	1,636,250	-	-	1,636,250
Gary Lim	-	-	-	-
Raja Jallaludin	-	-	-	-
	3,090,125	-	-	3,090,125

### E. Equity instruments issued on exercise of remuneration options

As no remuneration options exist, no shares were issued during the year to Directors as a result of exercising remuneration options.

### F. Value of options to Directors

No options were granted, exercised, vested and/or lapsed during the year to Directors as part of their remuneration.

## End of Remuneration Report

### 12. Shares under option

As at the date of this report, there are no unissued ordinary shares of Cape Range under option.

No options to acquire ordinary shares expired during the year.

### 13. Indemnity and insurance of officers

During the financial year, the Company paid a premium of \$26,876 in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the *Corporations Act 2001*.

### 14. Proceedings on behalf of the Company

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

### 15. Non-audit services

There were no amounts paid or payable for non-audit services provided during the year.

### 16. Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 11.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Wayne Johnson', written over a horizontal line.

Wayne Johnson  
Non-Executive Chairman

31 March 2023  
Sydney

CAPE RANGE LIMITED AND CONTROLLED ENTITIES  
ABN 43 009 289 481

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
CAPE RANGE LIMITED

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cape Range Limited. As the lead audit partner for the audit of the financial report of Cape Range Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of;

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick (NSW)*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Sandeep Kumar*

**Sandeep Kumar**  
**Partner**

Dated: 31 March 2023

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An Association of Independent  
Accounting Firms

 **PrimeGlobal**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**For the financial year ended 31 December 2022**

	Note	31 December 2022 \$	31 December 2021 \$
<b>Revenue</b>	<b>8</b>	526,599	478,469
Cost of sales		(31,691)	(17,480)
<b>Gross profit</b>		494,908	460,989
Other operating income	<b>8</b>	15,870	54,314
Reversal of doubtful debt provisions		6,551	-
<b>Expenses</b>			
Administration expenses		(820,322)	(616,930)
Marketing & promotional expenditure		(1,414)	(559)
Other operating expenses		(542)	(270,792)
Finance costs		(6,309)	(10,426)
Depreciation and amortisation expenses		(63,549)	(109,356)
Provision for doubtful debt		(14,515)	(14,115)
Impairment of intangible assets		(303,864)	(441,894)
<b>Total expenses</b>		(1,210,515)	(1,464,072)
<b>Loss before income tax</b>	<b>8</b>	(693,186)	(948,769)
Income tax expense	<b>9</b>	41,271	(10,504)
<b>Loss after tax</b>		(651,915)	(959,273)
<b>Other comprehensive income for the year, net of tax</b>			
Exchange differences on translating foreign operations		(6,545)	29,372
<b>Total comprehensive income for the year</b>		(658,460)	(929,901)
Basic and diluted (loss) per share (cents per share)	<b>10</b>	(0.69)	(1.01)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position**

**As at 31 December 2022**

	Note	31 December 2022 \$	31 December 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	2,347,681	2,948,344
Trade and other receivables	12	193,097	84,832
<b>Total current assets</b>		2,540,778	3,033,176
<b>Non-current assets</b>			
Plant and equipment	13	26,017	39,999
Right-of-use assets	14	23,702	10,231
Intangible assets	15	-	152,335
<b>Total non-current assets</b>		49,719	202,565
<b>Total assets</b>		2,590,497	3,235,741
<b>Current liabilities</b>			
Trade and other payables	16	157,496	134,195
Deferred revenue	17	198,299	149,323
Lease liabilities	18	13,433	10,881
Borrowings	20	33,359	29,006
<b>Total current liabilities</b>		402,587	323,405
<b>Non-current liabilities</b>			
Deferred tax liabilities	19	4,683	46,203
Lease liabilities	18	10,981	-
Borrowings	20	3,922	39,349
<b>Total non-current liabilities</b>		19,586	85,552
<b>Total liabilities</b>		422,173	408,957
<b>Net assets</b>		2,168,324	2,826,784
<b>Equity</b>			
Issued capital	21	21,048,346	21,048,346
Foreign currency translation reserve	22	80,693	87,238
Accumulated losses		(18,960,715)	(18,308,800)
<b>Total equity</b>		2,168,324	2,826,784

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity**

**For the financial year ended 31 December 2022**

	Issued Capital Ordinary Shares \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 01/01/2021</b>	<b>21,048,346</b>	<b>57,866</b>	<b>(17,349,527)</b>	<b>3,756,685</b>
Foreign exchange translation reserve	-	29,372	-	29,372
Loss for the year	-	-	(959,273)	(959,273)
Total comprehensive income for the year	-	29,372	(959,273)	(929,901)
<b>Balance at 31/12/2021</b>	<b>21,048,346</b>	<b>87,238</b>	<b>(18,308,800)</b>	<b>2,826,784</b>
<b>Balance at 01/01/2022</b>	<b>21,048,346</b>	<b>87,238</b>	<b>(18,308,800)</b>	<b>2,826,784</b>
Foreign exchange translation reserve	-	(6,545)	-	(6,545)
Loss for the year	-	-	(651,915)	(651,915)
Total comprehensive income for the year	-	(6,545)	(651,915)	(658,460)
<b>Balance at 31/12/2022</b>	<b>21,048,346</b>	<b>80,693</b>	<b>(18,960,715)</b>	<b>2,168,324</b>

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**

**For the financial year ended 31 December 2022**

	Note	31 December 2022 \$	31 December 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		517,908	520,850
Payments to suppliers and employees		(888,623)	(884,205)
Interest received		12,265	7,225
Government grants received		-	8,402
Payment of income tax		(949)	-
Finance costs		(6,309)	(10,426)
<b>Net cash from/(used in) operating activities</b>	<b>11(b)</b>	<b>(365,708)</b>	<b>(358,154)</b>
<b>Cash flows from investing activities</b>			
Payments for plant & equipment		(1,728)	(1,470)
Payments for intangibles		(185,840)	(205,248)
<b>Net cash used in investing activities</b>		<b>(187,568)</b>	<b>(206,718)</b>
<b>Cash flows from financing activities</b>			
Repayment of term loan		(31,075)	(26,865)
Cost of issue of shares		-	-
Repayment of lease liabilities		(16,312)	(13,630)
<b>Net cash used in financing activities</b>		<b>(47,387)</b>	<b>(40,495)</b>
Net decrease in cash and cash equivalents held		(600,663)	(605,367)
Cash and cash equivalents at the beginning of the year		2,948,344	3,553,711
<b>Cash and cash equivalents at the end of the financial year</b>	<b>11(a)</b>	<b>2,347,681</b>	<b>2,948,344</b>

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



**Notes to the Financial Statements**  
**For the financial year ended 31 December 2022**

**1. Corporate information**

The financial report of Cape Range Limited and its controlled entities (**Group**) for the year ended 31 December 2022 was authorised for issue in accordance with resolutions of the Directors on 30 March 2022.

Cape Range Limited (**Company**) is a company limited by shares incorporated in Australia and whose securities are publicly traded on the Australian Securities Exchange. The Company's registered office and principal place of business is 36 Prestwick Drive, Twin Waters, Queensland, 4564.

The registered office of Biztrak Business Solutions Sdn Bhd and Biztrak R&D Sdn Bhd ("Biztrak") is Unit C-6-5, 6<sup>th</sup> Floor, Block C, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of Biztrak Business Solutions Sdn Bhd and Biztrak R&D Sdn Bhd is D-01-02, Garden Shoppe One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor, Malaysia.

**2. Summary of significant accounting policies**

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a) Basis of preparation**

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except where stated.

*Parent entity information*

These financial statements present the results of the consolidated entity only. Information about the parent entity is disclosed in Note 23.

**b) Statement of compliance**

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.

**c) Functional and presentation currency**

The functional currency of Biztrak is Malaysian Ringitt and for Cape Range Limited is Australian Dollars. The financial report is presented in Australian dollars, which is the Group's presentation currency.

**3. Going concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst the Group incurred a loss after tax of \$651,915 (31 December 2021: \$959,273) for the year it had net assets of \$2,168,324 as at 31 December 2022 (31 December 2021: \$2,826,784). This loss in 2022 included an impairment charge of \$303,864 on the group's intangible assets (refer to Note 15). As at 31 December 2022, the Group had \$2,347,681 in cash (31 December 2021: \$2,948,344) which is sufficient to pay its debts as and when they fall due over the next 12 months from the date of this report.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**4. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires the use of certain critical accounting estimates, judgements and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Impairment of intangible assets**

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for intangible assets based in Malaysia, growth rates of 1% to 20% have been factored into valuation models for the next 5 years on the basis of management's expectations regarding the Group's continued ability to generate revenue. Pre-tax discount rates of 8.9% have been used. Intangible assets are considered to be sensitive to these assumptions and are carried in the statement of financial position at a written-down value of nil.

**5. New and revised accounting requirements**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

**6. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

**a) Income tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred 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 (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

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. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

**b) Goods and services tax ('GST')**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

**c) Impairment of assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**d) Leases**

**The Group as lessee**

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**e) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**f) Financial instruments**

*Initial recognition and measurement*

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" (FVPL), in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

*Classification and subsequent measurement*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Group's trade receivables are measured at amortised cost.

*Impairment*

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments:

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

*Recognition of expected credit losses in financial statements*

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

**g) Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding freehold land) over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	5-10 years
Computers	over 4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

*Impairment*

The carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less cost to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**h) Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and an impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption of useful life are accounted for prospectively by changing the amortisation method or period.

*Research and development*

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project less any impairment losses.



**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

*Intellectual property*

Intellectual property is recognised at cost of acquisition. Intellectual property has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Intellectual property is amortised on a straight-line basis over their useful lives of between 5 to 20 years less any impairment losses.

**i) Revenue and other income**

*Revenue recognition*

Revenue generated by the Group is categorised into the following parts:

- gross invoiced value of packaged accounting and business management software sold, net of discounts and;
- services provided for training to customers or end user, services and maintenance for the software programme, as well as implementation after the sale has been completed.

*Sales of software*

Sales of packaged accounting and business management software, including the warehouse management system. Revenue from the sales of packaged accounting and business management software is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. Payment for software sales are payable in advance of delivery of the software. Extended repayment plans, of up to 6 months, have been implemented for certain customers.

*After-sale maintenance support services*

The Group provides after sale maintenance support to customers, with a contract duration of 12 months. Services and maintenance support are recognised as distinct performance obligations in contracts that provide both sale of packaged accounting and business management software and services and maintenance support. Customers are able to benefit from the services and maintenance support separately from the purchase of the software. During the term of the contract, the Group stands ready to provide after-sales maintenance support services to customers, with revenue recognised on a straight-line basis over the contract term. Contract payments for the 12 months after sales maintenance and support services are payable in advance. Extended repayment plans, of up to 12 months, have been implemented for certain customers.

*Interest revenue*

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

**j) Borrowings**

Borrowings are initially recognised at the fair value of the consideration received, net of directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred, except where they are directly attributable to the acquisition or construction of qualifying assets, in which case they are capitalised as part of the cost of that asset.



**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

**k) 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 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. 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, salaries and sick leave are recognised as 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.

*Defined contribution superannuation benefits*

All employees of the Group other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 10.5% 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 and option plan for its Non-Executive Directors. Share-based payments to Non-Executive Directors are measured at the fair value of the instruments at grant date 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 amounts are recognised in the option reserve and statement of profit and loss respectively. The fair value of options is determined using the Black-Scholes pricing model. 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.

**l) 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 the entity operates. The functional currency of Biztrak is Malaysian Ringgit. The financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

*Transactions and balances*

Foreign currency transactions are translated into the 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 exchange differences that arise from net investment hedges.

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.

*Group companies*

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

**m) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cape Range Limited ("Company" or "parent entity") as at 31 December 2022 and the results of all subsidiaries for the year then ended. Cape Range Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**6. Significant accounting policies (continued)**

In the 2017 financial year, Cape Range Limited completed the legal acquisition of Biztrak (incorporated in Malaysia). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations, with Biztrak deemed to be the accounting acquirer. The acquisition has been treated using the principles of reverse acquisition accounting. Effectively Biztrak acquired the net assets of Cape Range Limited.

**7. Segments**

For management purposes the Group is organised into two strategic units:

- Corporate head office in Australia
- Operations and technology development based in Malaysia

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information to the Board.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

	Australia \$	Malaysia \$	Eliminations \$	Total \$
<b>Year ended 31 December 2021</b>				
Revenue from external customers	-	478,469	-	478,469
Reportable segment (loss) after tax	(423,810)	(535,463)	-	(959,273)
<b>Year ended 31 December 2022</b>				
Revenue from external customers	-	526,599	-	526,599
Reportable segment (loss) after tax	(434,203)	(217,712)	-	(651,915)
<b>Reportable segments assets</b>				
At 31 December 2021	14,962,786	359,456	(12,086,501)	3,235,741
At 31 December 2022	14,548,937	228,060	(12,186,500)	2,590,497
<b>Reportable segments liabilities</b>				
At 31 December 2021	734,525	105,462	(431,030)	408,957
At 31 December 2022	157,241	798,150	(533,218)	422,173

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

8. Revenue, other income and expenses

	2022 \$	2021 \$
Revenue from contracts with customers		478,469
<b>Timing of revenue recognition</b>		
Products and services transferred to customers:		
At a point in time	213,091	144,125
Over time	313,508	334,344
	526,599	478,469
<b>Other income</b>		
Interest revenue	12,265	7,225
Government grant	-	10,923
Other income	3,605	36,166
	15,870	54,314
<b>Loss before tax includes the following specific items:</b>		
Accounting, Consulting, legal and professional fees	172,407	89,503
ASX Listing and Share registry expenses	31,223	49,839
Travel, meals and entertainment	5,331	-
Depreciation & amortisation	63,549	109,356
Impairment of intangible assets	303,864	441,894
Provision for doubtful debts	14,515	14,115

9. Tax

	2022 \$	2021 \$
<b>(a) Income tax expense</b>		
Current tax	-	-
Overprovision of prior year income tax	-	-
Deferred tax	4,683	(10,504)
	4,683	(10,504)
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		
(Loss) before income tax	(693,186)	(948,769)
Income tax expense @ 25%	(173,297)	(260,911)
Add: non-deductible expenses	11,606	63,125
Less: impact of foreign tax rates	1,712	-
Add: Tax benefit of tax losses and temporary differences not recognised	201,679	197,973
Add: Overprovision of prior year tax		
Less: non-taxable income	(429)	(10,691)
Income tax expense	41,271	(10,504)

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**9. Tax (continued)**

**(c) Tax losses**

The taxation benefits of tax losses brought to account will only be obtained if:

- a. assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- b. conditions for deductibility imposed by the law are complied with; and
- c. no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

**10. Earnings per share**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Net (loss) attributable to the equity holders of the Company	(651,915)	(959,273)
	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares	94,908,301	94,908,301
	<b>2022</b>	<b>2021</b>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	(0.69)	(1.01)

**11. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Cash and cash equivalents</b>	2,347,681	2,948,344

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

11. Cash and cash equivalents (continued)

(b) Reconciliation of net cash used in operating activities to operating loss

	2022 \$	2021 \$
Operating loss after income tax expense for the year	(651,915)	(959,273)
Add non – cash items:		
Depreciation and amortisation	63,549	109,356
Gain on termination of lease		-
Reversal of doubtful debts provisions	(6,551)	-
Provision for doubtful debts	14,515	14,115
Impairment of intangible assets	303,864	441,894
Foreign exchange differences	(6,545)	29,372
Add / (deduct) movement in working capital:		
Trade and other receivables	(64,306)	15,261
Deferred revenue	48,976	(12,253)
Trade and other payables	(25,075)	(7,345)
Current tax liabilities	-	-
Deferred tax liabilities	(42,220)	10,719
	(365,708)	(358,154)

12. Trade and other receivables

	2022 \$	2021 \$
Trade debtors	460,613	459,430
Less provision for impairment	(431,718)	(435,210)
	28,895	24,220
Other receivables	162,212	59,322
Income tax receivable	1,990	1,290
	193,097	84,832

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

12. Trade and other receivables (continued)

(a) Lifetime expected credit loss: Credit impaired

	Opening balance 1 January 2021	Additional loss allowance	Reversal of loss allowance	Closing balance 31 December 2021
<b>Lifetime Expected Credit Loss: Credit Impaired</b>				
Current trade receivables	444,832	14,115	(23,737)	435,210
	444,832	14,115	(23,737)	435,210

	Opening Balance 1 January 2022	Additional loss allowance	Reversal of loss allowance	Closing Balance 31 December 2022
<b>Lifetime Expected Credit Loss: Credit Impaired</b>				
Current trade receivables	435,210	14,515	(18,007)	431,718
	435,210	14,515	(18,007)	431,718

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2022 is determined as follows:

	Current	>30 days past due	>60 days past due	>90 days past due	Total
<b>2021</b>					
Expected loss rate	5%	6%	7%	98%	95%
	\$	\$	\$	\$	\$
Gross carrying amount	6,932	10,812	236	441,450	459,430
Loss allowing provision	(367)	(675)	(17)	(434,151)	(435,210)
	6,565	10,137	219	7,299	24,220

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

12. Trade and other receivables (continued)

	Current	>30 days past due	>60 days past due	>90 days past due	Total
<b>2022</b>					
Expected loss rate	0.39%	2.57%	4.75%	100.00%	93.73%
	\$	\$	\$	\$	\$
Gross carrying amount	-	15,265	3,961	441,387	460,613
Loss allowing provision	-	-	-	(431,718)	(431,718)
	-	15,265	3,961	9,669	28,895

13. Plant and equipment

	2022 \$	2021 \$
Equipment – at cost	369,646	367,918
Less: accumulated depreciation	(343,629)	(327,919)
	26,017	39,999
<b>Movement</b>		
Balance as at 1 January	39,999	57,880
Additions	1,728	1,470
Disposals	-	-
Depreciation expense	(15,710)	(19,351)
Balance as at 31 December	26,017	39,999



**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**14. Right-of-use assets**

	2021 \$	2021 \$
<b>(i) AASB 16 related amounts recognised in the balance sheet</b>		
Leased building	72,748	55,902
Less: accumulated depreciation	(49,046)	(45,671)
	23,702	10,231
<b>Movement in carrying amount</b>		
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)		
Balance as at 1 January 2020	10,231	24,180
Additions	27,000	-
Depreciation expense	(13,529)	(13,518)
Lease modification resulting from an increase in the discount rate	-	(431)
Termination of lease	-	-
Balance as at 31 December 2021	23,702	10,231
<b>(ii) AASB16 related amounts recognised in the Statement of Profit or Loss</b>		
Depreciation charge related to right-of-use assets	13,529	13,518
Interest expense on lease liabilities	1,045	112
<b>(iii) Total cash outflows for leases</b>	14,574	13,630

**15. Intangible assets**

<b>Development expenditure</b>		
At cost	3,898,166	3,712,327
Less: Accumulated amortisation	(2,471,897)	(2,471,897)
Accumulated impairment losses	(1,426,269)	(1,240,430)
	-	-
<b>Intellectual property</b>		
At cost	1,440,323	1,440,323
Less: Accumulated amortisation	(1,083,291)	(1,048,981)
Accumulated impairment losses	(357,032)	(239,007)
	-	152,335
<b>Total intangible assets</b>	-	152,335

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

15. Intangible assets (continued)

	2022 \$	2021 \$
<b>Movement in carrying amounts</b>		
<b>Development expenditure</b>		
Balance at 1 January	-	-
Additions	185,840	205,248
Amortisation charge	-	(2,361)
Impairment losses	(185,840)	(202,887)
<b>Balance as at 31 December</b>	-	-
<b>Intellectual property</b>		
Balance as at 1 January	152,335	465,037
Additions	-	-
Amortisation charge	(34,310)	(73,695)
Impairment losses	(118,025)	(239,007)
<b>Balance as at 31 December</b>	-	152,335
<b>Total intangible assets</b>	-	152,335

**Impairment disclosures**

Intangible assets are allocated to cash-generating units as follows:

- Windows based accounting software
- Online accounting software
- Warehouse management software

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period. The cash flows are discounted using the relevant group entities' incremental borrowing rate.

The following key assumptions were used in the value-in-use calculations:

	Growth Rate	Discount Rate
• Windows based accounting software	1% to 11%	8.9%
• Online accounting software	0%	8.9%
• Warehouse management software	15% to 20%	8.9%

Management has based the value-in-use calculations on budgets for each cash-generating unit. These budgets use both historical trends and the sale pipelines to project revenue. Costs are calculated taking into account historical data and average inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular cash-generating unit.

As a result, the carrying value of windows based accounting software and warehouse management software were supported by the value-in-use calculations, whilst the carrying value of online accounting software was impaired in full.

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

15. Intangible assets (continued)

**Sensitivity analysis**

The following tables illustrates sensitivities to the Group's exposures to changes in annual growth rates and discount rates in the cash flow projections:

	Growth Rate	Discount Rate
• Windows based accounting software	2%	14.9%
• Warehouse management software	2%	14.9%

The sensitivity analysis indicates that there is head room between the value-in-use calculations and the carrying value of windows-based accounting software and warehouse management software.

16. Trade and other payables

	2022 \$	2021 \$
Trade payables <sup>1</sup>	48,619	50,331
Payable to related parties <sup>2</sup>	36,779	5,789
Other payables and accruals	72,098	78,075
	157,496	134,195

<sup>1</sup> Accounts payable are non-interest bearing and are predominantly settled on 30-day terms

<sup>2</sup> Payable to Directors

17. Deferred revenue

	2022 \$	2021 \$
Deferred revenue	198,299	149,323
	198,299	149,323

Deferred revenue represents the maintenance services invoiced for future services that have not yet been rendered at balance date.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**18. Lease liabilities**

**Office building**

At beginning of year

Additions

Interest expense

Lease payments

Termination of lease

Lease modification resulting from an increase in the discount rate

At end of year

Minimum payments

- Not later than one year

- Later than one year and not later than five years

Future finance charges on leases

Present value of lease liabilities

Current

Non-current

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
	10,881	24,511
	27,711	-
	2,134	1,843
	(16,312)	(15,042)
	-	-
	-	(431)
	<b>24,414</b>	<b>10,881</b>
	15,252	11,287
	11,439	-
	26,691	11,287
	(2,277)	(406)
	24,414	10,881
	13,433	10,881
	10,981	-
	<b>24,414</b>	<b>10,881</b>

Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2021

19. Income tax

	2022 \$	2021 \$
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,683	46,203

20. Borrowings

	2022 \$	2021 \$
<b>Current</b>		
Term loans	33,359	29,006
	<b>33,359</b>	<b>29,006</b>
<b>Non- Current</b>		
Term loans	3,922	39,349
	<b>3,922</b>	<b>39,349</b>

The Biztrak term loans are payable within five years, are jointly and severally guaranteed by past Biztrak directors. The loan interest rate is 8.9% (2020: 8.9% to 9.15%).

21. Issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares fully paid	<b>94,908,301</b>	94,908,301	<b>21,048,346</b>	21,048,346

(a) Movement in ordinary shares

	2021 Shares	2021 \$	2021 Shares	2021 \$
Opening balance at beginning of the year	<b>94,908,301</b>	<b>21,048,346</b>	94,908,301	21,048,346
	<b>94,908,301</b>	<b>21,048,346</b>	94,908,301	21,048,346
Issue of shares	-	-	-	-
Closing balance at end of the year	<b>94,908,301</b>	<b>21,048,346</b>	94,908,301	21,048,346

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**21. Issued capital (continued)**

**(b) Options and performance rights**

As at 31 December 2022, there were no options on issue (2021: nil). During the year no options were issued (2021: nil)

As at 31 December 2022, there were no performance rights on issue (2021: nil). During the year no new performance rights were issued (2021: nil).

**22. Reserves**

	2022 \$	2021 \$
<b>Foreign currency reserve</b>		
Opening balance	87,238	57,866
Foreign currency translation <sup>1</sup>	(6,545)	29,372
Closing balance	80,693	87,238

<sup>1</sup> The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations in Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**23. Parent information**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Current assets	2,895,387	2,867,140
Non-current assets	11,653,550	12,090,050
<b>TOTAL ASSETS</b>	<b>14,548,937</b>	<b>14,957,190</b>
<b>LIABILITIES</b>		
Current liabilities	157,241	131,292
<b>TOTAL LIABILITIES</b>	<b>157,241</b>	<b>131,292</b>
<b>NET ASSETS</b>	<b>14,391,696</b>	<b>14,825,898</b>
<b>EQUITY</b>		
Issued capital	34,062,967	34,062,967
Accumulated losses	(19,671,271)	(19,237,069)
<b>TOTAL EQUITY</b>	<b>14,391,696</b>	<b>14,825,898</b>
Loss for the year	434,203	423,810
Total comprehensive loss	434,203	423,810

**Contingent liabilities**

The parent entity had no contingent liabilities as at 31 December 2022 and 31 December 2021.

**Capital commitments – Property, plant and equipment**

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2021.

**Significant accounting policies**

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Notes 2 to 6 inclusive.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**24. Financial risk management**

The Company's activities expose it to a variety of financial risks; market risk; credit risk and liquidity risk. The Company's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Company.

**(a) Capital risk management**

The Company's capital includes share capital, reserves and accumulated losses. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Company may issue new shares in order to meet its financial obligations.

**(b) Categories of financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Trade and other receivables	193,097	84,832
Cash and cash equivalents	2,347,681	2,948,344
	<b>2,540,778</b>	<b>3,033,176</b>
<b>FINANCIAL LIABILITIES</b>		
Trade and other payables	157,496	134,195
Borrowings	37,281	68,355
Lease liabilities	24,414	10,881
	<b>219,191</b>	<b>213,431</b>

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables.

All cash balances held at banks are held at internationally recognised institutions.

**(c) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

*Liability and interest risk tables*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.



Notes to the Financial Statements (continued)  
For the financial year ended 31 December 2022

24. Financial risk management (continued)

2021	Weighted average interest rate %	<12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
<b>Financial assets</b>					
Non-interest bearing					
Cash – non-interest bearing		548,344	-	548,344	548,344
Cash – interest bearing		2,400,000	-	2,400,000	2,400,000
Trade and other receivables		84,832	-	84,832	84,832
		3,033,176	-	3,033,176	3,033,176
<b>Financial liabilities</b>					
Trade & other payables		134,195	-	134,195	134,195
Borrowings		29,006	39,349	68,355	68,355
Lease liabilities		10,881	-	10,881	10,881
		174,082	39,349	213,431	213,431

2022	Weighted average interest rate %	<12 months \$	>12 months \$	Total contractual cash flows \$	Carrying amount \$
<b>Financial assets</b>					
Non-interest bearing					
Cash – non-interest bearing		56,066	-	56,066	56,066
Cash – interest bearing	0.46%	2,291,615	-	2,291,615	2,291,615
Trade and other receivables		193,097	-	193,097	193,097
		2,540,778		2,540,778	2,540,778
<b>Financial liabilities</b>					
Trade & other payables		157,496	-	157,496	157,496
Borrowings	9.90%	33,359	3,922	37,281	37,281
Lease liabilities		13,433	10,981	24,414	24,414
		204,288	14,903	219,191	219,191

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Group had no financial instruments measured at fair value for the year ended 31 December 2022 (2021: Nil) The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the Company's operations.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**25. Related party disclosures**

**(a) Subsidiaries**

The Company's subsidiaries are Biztrak Business Solution Sdn Bhd and Biztrak R&D Sdn Bhd. Both subsidiaries are incorporated in Malaysia.

	2022 \$	2021 \$
<b>Movement in advances to Biztrak Business Solution Sdn Bhd</b>		
Opening balance 1 January	350,663	243,554
Advances to Biztrak	100,000	100,000
Unrealised foreign exchange gain/(loss)	(3,282)	7,109
Closing balance 31 December	447,381	350,663

**(b) Key management personnel**

The following persons were key management personnel during the financial year:  
Wayne Johnson, Michael Higginson, Gary Lim and Raja Jallaludin.

No other key management personnel were noted for the years ended 31 December 2022 and 31 December 2021.

*Key management personnel compensation*

	2022 \$	2021 \$
Short-term employee benefits.	247,699	242,887
Post employee benefits	4,700	4,433
	252,399	247,320

Of this balance Directors' fees of \$36,779 are unpaid as at 31 December 2022 and included in trade payables as disclosed in Note 16 of these financial statements.

**(c) Loans to directors**

There were no loans made to the Directors of the Company or their related parties during the financial year (2021: nil)

**(d) Other transactions with Directors**

The following transactions occurred during the financial year:

	2022 \$	2021 \$
Rent paid at normal commercial rates to Mr Higginson for the provision of the Company's registered office and principal place of business.	6,000	6,000

The above transactions were on commercial arms-length terms and the amount of \$6,000 is included in the short-term employee benefits set out in Note 25(b) above.

**Notes to the Financial Statements (continued)**  
**For the financial year ended 31 December 2022**

**26. Contingent assets and liabilities**

There are no contingent assets and or liabilities at the date of this report (2021: nil).

**27. Subsequent events**

There have been no matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operation of the Company, the results of these operations, or the state of affairs of the Company.

**28. Remuneration of auditors**

	2022 \$	2021 \$
Auditors of the Company: Hall Chadwick		
- Audit and review of the financial report	69,750	64,500
Auditors of Biztrak subsidiaries: Mustapha, Khoo & Co (2022), Ong & Wong (2021)		
- Audit and review of the financial report	4,190	4,481

## Directors' Declaration

### For the year ended 31 December 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are, or may become, subject.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



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Wayne Johnson  
Chairman

31 March 2023  
Sydney

CAPE RANGE LIMITED AND CONTROLLED ENTITIES  
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CAPE RANGE LIMITED  
AND CONTROLLED ENTITIES

SYDNEY

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
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Report on the Financial Report

Opinion

We have audited the financial report of Cape Range Limited (the "Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 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 Group is in accordance with *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 Group 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.

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**CAPE RANGE LIMITED AND CONTROLLED ENTITIES**  
**ABN 43 009 289 481**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBER OF CAPE RANGE LIMITED**  
**AND CONTROLLED ENTITIES**

**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 for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue Recognition**

*Refer to Note 8 Revenue and other income and Estimates and Accounting Policy Note 6(i)*

Total revenue amounting to \$526,599 as at 31 December 2022. Revenue recognition is a key audit matter as significant judgement is required by the Group in applying AASB 15 "Revenue from Contracts with Customers" requirements, such as interpreting the contractual terms including performance obligations and assessing the allocation of revenue over time.

**Our procedures included, amongst others:**

- We obtained and reviewed a sample of contracts, considering the terms and conditions, performance obligations of these arrangements and assessing the accounting treatment was in accordance with AASB 15;
- We verified management's calculation for deferred revenue in relation to the maintenance services invoiced for future services that have not been rendered at balance date;
- We assessed the adequacy of the Group's disclosures in accordance with AASB 15.



**CAPE RANGE LIMITED AND CONTROLLED ENTITIES**  
**ABN 43 009 289 481**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBER OF CAPE RANGE LIMITED**  
**AND CONTROLLED ENTITIES**

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022 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 conclusion 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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

**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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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

**CAPE RANGE LIMITED AND CONTROLLED ENTITIES**  
**ABN 43 009 289 481**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBER OF CAPE RANGE LIMITED**  
**AND CONTROLLED ENTITIES**

Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group'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 Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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.

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 the 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.



CAPE RANGE LIMITED AND CONTROLLED ENTITIES  
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBER OF CAPE RANGE LIMITED  
AND CONTROLLED ENTITIES

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Cape Range Limited for the year ended 31 December 2022 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.

*Hall Chadwick (NSW)*

Hall Chadwick (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Sandeep Kumar*

**Sandeep Kumar**

**Partner**

Date: 31 March 2023

## **Corporate Governance Statement**

### **For the year ended 31 December 2022**

The Board of Directors of Cape Range Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

The Corporate Governance Statement and the Appendix 4G Statement have been released to the ASX and can be found on the Company's website at [www.caperange.com.au](http://www.caperange.com.au)

## ASX additional information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below, as at 24 February 2022.

### Substantial shareholder

<i>Shareholder</i>	<i>Number of Shares</i>	<i>% of Shares Held</i>
iFree Group (International) Limited	44,000,000	46.36%

### Voting rights

#### Ordinary shares

At a general meeting, on a show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.

There are no other classes of shares on issue.

### Distribution of equity security holders

	<i>Fully paid shares</i>
1 - 1,000	918
1,001 - 5,000	207
5,001 - 10,000	50
10,001 - 100,000	99
100,000 and over	31
<b>Number of holders</b>	<b>1,305</b>

There were 1,085 shareholders holding less than a marketable parcel of shares as at 24 February 2023.

### Option holder information

There are no options issued at the date of this report.

### Members information

Top 20 shareholders as at 24 February 2023

<b>Holder Name</b>	<b>Holding</b>	<b>% held</b>
IFREE GROUP (INTERNATIONAL) LIMITED	44,000,000	46.36
MONEX BOOM SECURITIES (HK) LTD	11,035,272	11.63
BNP PARIBAS NOMS PTY LTD	9,362,972	9.87
BNP PARIBAS NOMINEES PTY LTD	8,057,614	8.49
CITICORP NOMINEES PTY LTD	5,667,965	5.97
ANITA HIGGINSON	1,450,000	1.53
NOBLEMEN VENTURES PTY LTD	1,450,000	1.53
LOKE PEI PEI	1,050,000	1.11
WING SIM LISA CHAN	966,988	1.02
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	820,377	0.86
EDDY VIRGO NG	755,676	0.80
KUAN LEE CHIA	670,000	0.71

FERMIN ROBERT WAN	625,000	0.66
YONG SHENG MINING COMPANY LTD	625,000	0.66
YUXIA SHEN	500,000	0.53
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	478,215	0.50
HOCK TIONG TAN	433,414	0.46
TSZ MAN CHENG	385,000	0.41
MUN KOON LAM	300,000	0.32
ESTHER NG QIAO YUAN	233,281	0.25
<b>Total</b>	<b>89,080,325</b>	<b>93.86</b>

#### **Restricted securities**

The Company has no restricted securities on issue.

#### **Unquoted equity securities**

All securities on issue are quoted, namely 94,908,301 fully paid ordinary shares.

#### **On-market buy-back**

There is no current on-market buy-back.

#### **Acquisition of voting shares**

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

#### **Tax status**

The Company is treated as a public company for taxation purposes.

#### **Franking credits**

The Company has nil franking credits.

#### **Share registry**

Share registry functions are maintained by Advanced Share Registry Services Limited. Details are as follows:

110 Stirling Highway  
Nedlands, Western Australia 6009  
Shareholder enquiries by telephone: 1300 113 258 or +61 (8) 9389 8033

#### **Stock exchange listing**

Quotation has been granted for the Company's fully paid ordinary shares on the Australian Securities Exchange Limited, domiciled in Perth.