



**ASSETOWL PTY LTD**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2016**

## **ASSETOWL PTY LTD**

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## **DIRECTORS REPORT TO ASSETOWL PTY LTD**

Your directors present their report on the company for the financial year ended 30 June 2016.

### **Directors**

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

Andrew Michael Lane  
Timothy John Brady  
Giuseppe Mathew Di Franco  
Christopher Charles Indermaur

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### **Review of Operations**

The loss of the company for the financial year amounted to \$2,090,112 (2015 \$586,433).

### **Significant Changes in the State of Affairs**

No significant changes in the state of affairs of the company occurred during the financial year.

### **Principal Activities**

The principal activities of the company during the financial year were the development of an enterprise asset visibility and change platform for retail site management and analysis. No significant change in the nature of these activities occurred during the year.

### **Events Subsequent to the End of the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years, except as follows:

- Receipt of refundable R&D offset
- Repayment of short term R&D funding loan

### **Likely Developments and Expected Results of Operations**

The company entered into a binding terms sheet with ASX-listed company Regalpoint Resources Limited (ASX:RGU) on 28 July 2016 to acquire 100% of the shares in AssetOwl. This transaction is likely to significantly increase the capital available to the company, allowing it to further develop its retail site management and analysis platform to the point of commerciality. Subsequently, profitability and increased results are expected for future years

### **Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **Dividends**

No dividends were paid or declared since the start of the financial year.

### **Options**

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

## DIRECTORS REPORT TO ASSETOWL PTY LTD

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

### **Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year. Directors and Officers Liability insurance premiums are paid during the financial year, for any person who is or has been an officer of the company.

### **Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Name of Director: \_\_\_\_\_

  
Timothy John Brady

Dated this day of 30<sup>th</sup> day of August 2016

# ASSETOWL PTY LTD

## BALANCE SHEET AS AT 30 JUNE 2016

	2016	2015
Note	\$	\$
<b>SHARE CAPITAL AND RESERVES</b>		
62,500 Ordinary Shares	575,125	450,125
1 B Class Share of \$1	-	1
1 C Class Share of \$1	-	1
1 D Class Share of \$1	-	1
1 E Class Share of \$1	-	1
652,247 Additional Shares Issued (2016)	1,990,722	-
	2,565,847	450,129
Accumulated losses	(2,676,865)	(586,753)
<b>TOTAL SHARE CAPITAL AND RESERVES</b>	<b>(111,018)</b>	<b>(136,624)</b>
Represented by:		
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash on Hand	125	129
NAB Cheque Account	-	28,303
CBA Savings Account (1010)	46,637	160,000
CBA Business Cheque A/c (5796)	3,939	-
Trade Debtors	8,800	-
Deposits Paid	400	4,000
GST	8,632	69,944
Prepaid Borrowing Expenses	23,198	-
Provision for Income Tax	1,411,521	483,875
<b>TOTAL CURRENT ASSETS</b>	<b>1,503,252</b>	<b>746,251</b>
<b>NON CURRENT ASSETS</b>		
<b>Intangible Assets</b>		
Patents	-	5,100
Website Costs	-	2,726
Intellectual Property	125,000	-
Less Accumulated Amortisation	(25,000)	-
	100,000	7,826
<b>TOTAL NON CURRENT ASSETS</b>	<b>100,000</b>	<b>7,826</b>
<b>TOTAL ASSETS</b>	<b>1,603,252</b>	<b>754,077</b>

The accompanying notes form part of these financial statements.

**ASSETOWL PTY LTD**

**BALANCE SHEET  
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors		7,737	-
Trade Creditors		329,972	521,870
PAYG Withholding Payable		48,321	-
Superannuation Payable		45,604	-
GST		4,061	-
Provision for Annual Leave		14,304	-
Loan – R&D		1,229,911	368,831
ATO Integrated Client Account		34,359	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,714,270</u>	<u>890,701</u>
<b>TOTAL LIABILITIES</b>		<u>1,714,270</u>	<u>890,701</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>(111,018)</u>	<u>(136,624)</u>

The accompanying notes form part of these financial statements.

**ASSETOWL PTY LTD**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>SALES</b>		
Sales	<u>20,000</u>	<u>20,000</u>
<b>GROSS PROFIT FROM TRADING</b>	<u>20,000</u>	<u>20,000</u>
<b>OTHER INCOME</b>		
Interest Received	2,948	-
R & D Tax Incentive	1,411,521	484,195
Other Income	<u>1,962</u>	<u>-</u>
	<u>1,416,431</u>	<u>484,195</u>
	<u>1,436,431</u>	<u>504,195</u>

The accompanying notes form part of these financial statements.

**ASSETOWL PTY LTD**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>EXPENSES</b>		
Accountancy Fees	94,120	500
Advertising	16,872	-
Amortisation	25,000	909
Bank Charges	1,628	201
Borrowing Costs	52,302	-
Capital Raising Costs	25,000	-
Cleaning	3,665	-
Computer Expenses	113,886	-
Consultancy Fees	122,635	-
Contractors	639,502	-
Electricity	3,552	-
Entertainment Expenses	3,204	-
Filing Fees	246	-
Fines & Penalties	3,097	-
Formation Expenses	-	662
Freight & Cartage	662	-
Gifts	1,113	-
Insurance	13,680	-
Interest Paid	121,593	-
Legal Costs	14,517	17,567
Office Expenses	20,153	5,875
Parking & Taxis	6,481	-
Payroll Tax	72,587	-
Provision for Annual Leave Expensed	14,304	-
Recruitment	81,712	36,364
Rent	111,998	18,911
Repairs & Maintenance	591	-
Research & Development Costs	114,035	1,001,785
Staff Amenities	4,519	-
Staff Training & Welfare	2,040	-
Storage	690	-
Subscriptions	49,754	1,425
Superannuation Contributions	154,126	-
Telephone & Internet	11,830	-
Travel	17,470	4,900
Uniforms	3,265	1,529
Wages	1,604,714	-

The accompanying notes form part of these financial statements.



**ASSETOWL PTY LTD**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
	<u>3,526,543</u>	<u>1,090,628</u>
<b>Loss before income tax</b>	<u>(2,090,112)</u>	<u>(586,433)</u>

The accompanying notes form part of these financial statements.

**ASSETOWL PTY LTD**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Loss before income tax</b>	(2,090,112)	(586,433)
Income tax expense	-	320
<b>Loss after income tax</b>	<u>(2,090,112)</u>	<u>(586,753)</u>
(Accumulated losses) Retained earnings at the beginning of the financial year	<u>(586,753)</u>	-
<b>Total available for appropriation</b>	<u>(2,676,865)</u>	<u>(586,753)</u>
<b>Accumulated losses at the end of the financial year</b>	<u>(2,676,865)</u>	<u>(586,753)</u>

The accompanying notes form part of these financial statements.

**ASSETOWL PTY LTD**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	15,261	20,000
Payments to suppliers and employees	(3,296,482)	(642,702)
Dividends received	-	-
Interest received	2,948	-
Cash received from refundable R&D tax offsets	484,195	-
Other income received	1,962	-
Finance costs	(197,093)	-
Income tax paid	(320)	-
Net cash provided by/(used in) operating activities	<u>(2,989,529)</u>	<u>(622,702)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including intangibles)	-	(7,826)
Net cash provided by/(used in) investing activities	<u>-</u>	<u>(7,826)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,990,718	450,129
Proceeds from borrowings	1,229,911	368,831
Repayment of borrowings	(368,831)	-
Net cash provided by/(used in) financing activities	<u>2,851,798</u>	<u>818,960</u>
Net increase/(decrease) in cash held	(137,731)	188,432
Cash at beginning of financial year	188,432	-
Cash at end of financial year	<u>50,701</u>	<u>188,432</u>

The accompanying notes form part of these financial statements

# ASSETOWL PTY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 30<sup>th</sup> August 2016 by the directors of the company.

#### **Basis of Preparation**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because at the time of preparation there were no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared for use by the directors and members of the company.

No Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **Going Concern**

The directors have prepared the financial statements on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. The company recognises it incurred a loss of \$2,090,112 for the year ended 30 June 2016 and at 30 June 2016 has a net asset deficit of \$111,018. The company will require further funding in order to meet its day to day obligations and successfully progress commercialising its products, this requirement for further funding gives rise to a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

The directors are satisfied that further funding will be able to be obtained through:

- Further equity contributions from investors; and
- Sales of the company's products.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the company not continue as a going concern.

#### **Accounting Policies**

##### **a. Income Tax**

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

## ASSETOWL PTY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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Current tax and deferred tax are recognised in profit or loss except to the extent that they are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

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

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

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

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

**b. 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 acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## ASSETOWL PTY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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**c. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**d. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 90 days of recognition of the liability.

**e. Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognised in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**f. Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

**g. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**h. Revenue Recognition**

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

*Sale of Goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

## ASSETOWL PTY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### *Rendering of Services*

Rendering of services revenue is recognised by reference to the stage of completion of the contracts. Implementation fees are recorded when invoiced.

#### i. **Government Grants**

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Refundable tax incentives are accounted for as Government Grants. Refundable tax incentives are recognised as Other Income to the extent that the claim related to costs which had been expensed in the statement of profit or loss. For refundable tax incentives that relate to costs which have been capitalised to an asset, the tax incentive received is offset against the carrying amount of the asset.

#### **NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES & ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Management has exercised significant judgement in determining the amount receivable from R&D in respect to overseas contractor expenses and has included this in the financial statements on a reasonable expectation of success.

## INDEPENDENT AUDITOR'S REPORT

To the members of AssetOwl Pty Ltd

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of AssetOwl Pty Ltd, which comprises the balance sheet as at 30 June 2015 and 30 June 2016, the profit and loss statement and statement of cash flows for the years then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the constitution and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.





## Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of AssetOwl Pty Ltd as at 30 June 2015 and 30 June 2016, and its financial performance and its cash flows for the years then ended in accordance with Australian Accounting Standards to the extent described in Note 1.

## Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the company to continue as a going concern is dependent upon the future successful raising of necessary funding through equity and sales of the company's products. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the constitution. As a result, the financial report may not be suitable for another purpose.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a stylized, blocky font, followed by a cursive signature that appears to read 'Glyn O'Brien'.

Glyn O'Brien

Director

Perth, 30 August 2016