

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

Cape Range Limited and its controlled entities
ABN 43 009 289 481

Reporting period Year ended 31 December 2018
Previous period Year ended 31 December 2017

Results for Announcement to the Market

AUD\$ (All amounts are denoted in AUD\$)		31 December 2018	31 December 2017	Change	Change
	Note	\$	\$	\$	%
Revenue from continuing operations (Appendix 4E item 2.1)	1	776,524	783,841	(7,317)	(0.93%)
(Loss) from ordinary activities after tax attributable to members (Appendix 4E item 2.2)	2	(607,610)	(4,085,173)	3,477,563	85%
Net Comprehensive Loss attributable to members of the parent entity (Appendix 4E item 2.3)	3	(607,610)	(4,085,173)	3,477,563	85%
		Cents per share	Cents per share	Cents per share	
Basic loss per share (cents) (Appendix 4E item 14.1)		(0.76)	(36.3)	35.5	98%
Diluted loss per share (cents) (Appendix 4E item 4.1)		(0.76)	(36.3)	35.5	98%
Net tangible assets per share (cents) (Appendix 4E Item 9)		5.5	7.4	(1.9)	(26%)

Dividends (Appendix 4E item 2.4 & 2.5)

No Dividends have been declared or paid during the financial year ended 31 December 2018 and the Company does not propose to pay any final dividends in respect of that year.

Audit Status (Appendix 4E item 15)

This report is based on accounts which are in the process of being audited. The Audited Annual Financial Statements are expected to be released by 29 March 2019.

Commentary on Results & Significant Feature of Operating Performance (*Appendix 4E item 14*)

1. Revenue from continuing operations (Appendix 4E item 2.6 & 14)

Revenue from ordinary activities for the financial year was \$776,524 (31 December 2017: \$783,841).

2. Loss from ordinary activities after tax attributable to members (Appendix 4E item 2.6 & 14).

The loss after income tax for the reporting period was \$607,610 (2017: loss \$4,085,173). Share based payments expenses were \$nil (2017: \$3,773,216).

The current period result includes \$nil of one off significant items relative to \$3,323,216 in the previous period relating to a one off reverse acquisition cost (ie deemed cost of acquisition).

The loss for the financial year was mainly attributable to its focus on finalising the development of its cloud based accounting software package.

3. Net Comprehensive Loss attributable to members of the parent entity (Appendix 4E item 2.6 & 14)

As in (2) above.

Supplementary Information

1. Trends in performance (Appendix 4E item 14.5)

The Company's management is in the process of marketing the software as a service and the warehouse management system to the market.

2. Other factors that affected results in the period or which are likely to affect results in the future (Appendix 4E item 14.6)

As announced on 10 July 2018, Phase 1 of the Company's cloud based accounting software package, as a service applications package, was completed. As a consequence 10,000,000 performance rights were converted into 10,000,000 fully paid ordinary shares. The Company's management is in the process of marketing the software as a service and warehouse management system to the market.

3. Other significant information (Appendix 4E item 12)

In the period from 30 July 2018 until 10 September 2018, the Company's shares were suspended from trading on the ASX.

Attachments forming part of the Appendix 4E:

The Preliminary Financial Report of Cape Range Limited for the year ended 31 December 2018 is attached.

Signed By

Wayne Johnson
Chairman
Sydney
28 February 2019

**Preliminary Statement of Comprehensive Income
For the financial year ended 31 December 2018**

		Consolidated 31 December 2018 \$	31 December 2017 \$
	Note		
Revenue from continuing operations	5	776,524	783,841
Cost of sales		(44,717)	(53,976)
Gross profit		731,807	729,865
Other operating income	5	104,377	2,878
Expenses			
Administration expenses	5	(1,334,899)	(892,408)
Marketing & promotional expenditure		(18,076)	(69,616)
Other operating expenses		(60,432)	(49,681)
Finance costs		(29,769)	(32,940)
Share based payment		-	(3,773,216)
Total expenses		(1,443,176)	(4,817,861)
(Loss)/profit before income tax from continuing operations		(606,992)	(4,085,118)
Income tax benefit / (expense)	6	(618)	(55)
(Loss) after tax from continuing operation		(607,610)	(4,085,173)
Other comprehensive income / (loss) for the year, net of tax			
Exchange differences on translating foreign operations		(55,047)	23,274
Total comprehensive income for the year		(662,658)	(4,061,899)
Basic and diluted (loss) per share (cents per share)	7	(0.76)	(36.3)

The above preliminary statement of comprehensive income is to be read in conjunction with the accompanying notes.

**Preliminary Statement of Financial Position
As at 31 December 2018**

	Note	31 December 2018 \$	31 December 2017 \$
Assets			
Current assets			
Cash and cash equivalents	8	4,325,177	5,181,923
Trade and other receivables	9	188,223	740,027
Total current assets		4,513,400	5,921,950
Non-current assets			
Plant and equipment	10	93,707	79,538
Intangible assets	11	965,103	694,773
Total non-current assets		1,058,810	774,311
Total assets		5,572,210	6,696,261
Current liabilities			
Bank overdraft		-	60,465
Trade and other payables	12	242,052	468,555
Financial liabilities	13	10,719	90,513
Total current liabilities		252,771	619,533
Non-current liabilities			
Financial liabilities	13	132,429	229,670
Total non-current liabilities		132,429	229,670
Total liabilities		385,200	849,203
Net assets		5,187,010	5,847,057
Equity			
Issued capital	14	10,767,257	10,767,257
Foreign currency translation reserve	15	(55,047)	(2,612)
Accumulated losses		(5,525,200)	(4,917,588)
Total equity		5,187,010	5,847,057

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

**Preliminary Statement of Changes in Equity
For the financial year ended 31 December 2018**

	Issued Capital Ordinary Shares \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
Consolidated - \$				
Balance at 01/01/2018	10,767,257	(2,612)	(4,917,588)	5,847,057
Total comprehensive profit for the period	-	-	(607,610)	(607,610)
Foreign exchange translation reserve	-	(52,435)	-	(52,435)
Total comprehensive losses	-	(52,435)	(607,610)	(662,658)
Transactions with owners, in their capacity as owners and other transfers				
Shares and performance rights issued	-	-	-	-
Equity raising costs	-	-	-	-
Share based payments	-	-	-	-
Balance at 31/12/2018	10,767,257	(55,047)	(5,525,200)	5,187,010
Balance at 01/01/2017	1,482,456	(25,886)	(832,415)	624,155
Total comprehensive loss for the year	-	-	(4,085,173)	(4,085,173)
Foreign exchange translation reserve	-	23,274	-	23,274
Total comprehensive losses	-	23,274	(4,085,173)	(4,061,899)
Transactions with owners, in their capacity as owners and other transfers				
Shares and performance rights issued	6,081,660	-	-	9,081,660
Equity raising costs	(846,859)	-	-	(846,859)
Share based payments	1,050,000	-	-	1,050,000
Balance at 31/12/2017	10,767,257	(2,612)	(4,917,588)	5,847,057

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

Preliminary Statement of Cash Flows
For the financial year ended 31 December 2018

	Consolidated	
	31 December	31 December
	2018	2017
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	1,393,754	551,381
Payments to suppliers and employees	(1,636,420)	(1,023,398)
Payment of income tax	(134)	(410)
Interest received	60,800	-
Finance costs	(29,769)	(32,940)
Net cash (used in) / from operating activities	(211,769)	(505,367)
Cash flows from investing activities		
Payments for property, plant & equipment	(34,163)	(23,482)
Payment for intangibles	(389,488)	(304,103)
Net cash (used in) / received from investing activities	(423,651)	(327,585)
Cash flows from financing activities		
Repayment of hire purchase	(6,716)	(9,717)
Repayment of term loan	(131,510)	(50,354)
Repayment of bank overdraft	-	-
Repayment of long term loan	(39,810)	(60,660)
Loan from director	(43,290)	34,890
Proceeds from issue of shares	-	5,763,584
Net cash provided by financing activities	(221,326)	5,677,743
Net increase in cash and cash equivalents held	(856,746)	4,844,791
Cash acquired on acquisition	-	211,177
Cash and cash equivalents at the beginning of the year	5,181,923	125,955
Effect of movements in exchange rates on cash held	-	-
Cash and cash equivalents at the end of the financial year	4,325,177	5,181,923

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

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

Notes to the preliminary financial statements

For the financial year ended 31 December 2018

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 29 Brookside Place, Lota, Queensland, 4179.

2. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Cape Range Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of Cape Range Limited and its controlled entities, comply with Australian Accounting Standards.

Functional and presentation currency

The preliminary financial report is presented in Australian dollars, which is the Company's presentation currency.

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.

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 an operation loss after tax of \$607,610 (31 December 2017: 4,085,173) for the period it had net assets of \$5,187,010 as at 31 December 2018 (31 December 2017: \$5,847,057). Following the acquisition of Biztrak and the raising of \$5,614,004 (before costs) in capital in the previous financial year, the Group has sufficient cash to pay its debts as and when they fall due. As at 31 December 2018, the Group had \$4,325,177 in cash (31 December 2017: \$5,181,923).

3. Acquisition accounting

In the previous corresponding period Cape Range Limited completed the legal acquisition of Biztrak (company 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 has acquired the net assets of Cape Range Limited.

Accordingly the preliminary financial statements of the Cape Range Limited have been prepared as a continuation of the business and operations of Biztrak and the transaction measured at the fair value of the equity instruments that would have been given by the controlled entity, Biztrak, to have exactly the same percentage holding in the new structure at the date of acquisition. In accordance with AASB 2 Share Based Payments, the excess of the assessed value of the share based payment over the net assets of the Company as at the acquisition date has been expensed to the income statement as a deemed cost of acquisition.

The implications of the acquisition on the preliminary financial statements are as follows;

Preliminary Statement of Comprehensive Income, Preliminary Statement of Changes in Equity and Preliminary Statement of Cash flow.

- The 31 December 2017 comparative statements comprise 12 months of Biztrak and its subsidiaries and the period from acquisition date to 31 December 2017 for Cape Range Limited.

Preliminary Statement of Financial Position

- The comparative statement of financial position as at 31 December 2017 comprises of Cape Range Limited and Biztrak.

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

4. Segment reporting (Appendix 4 E Item 14.4)

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 preliminary 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 preliminary 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
	\$	\$	\$	\$
Year ended 31 December 2018				
Revenue from external customers	-	776,524	-	776,524
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(494,860)	(112,132)	-	(606,992)
Year ended 31 December 2017				
Revenue from external customers	3,040	780,801	-	783,841
Inter-segment revenue	-	-	-	-
Reportable segment profit/(loss) before tax	(4,354,014)	268,841	-	(4,085,173)
Reportable segments assets				
at 31 December 2018	16,208,638	1,190,101	(11,826,527)	5,572,212
At 31 December 2017	14,174,722	1,607,104	(9,085,566)	6,696,260
Reportable segments liabilities				
At 31 December 2018	122,710	345,667	(83,176)	385,201
at 31 December 2017	243,935	691,104	(85,836)	849,203

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

5. Revenue, other income and expenses

	2018 \$	2017 \$
Total Revenue from contracts with customers	776,524	783,841
Other income		
Interest revenue	104,377	2,878
	104,377	2,878
Loss before tax includes the following specific items:		
Cost of sales	44,717	53,976
Consulting, legal and professional fees	138,376	35,898
Accounting and audit fees	73,362	24,200
Occupancy expenses	38,142	4,800
ASX Listing and Share registry expenses	48,204	1,995
Travel, meals and entertainment	119,516	14,089
Other expenses	46,350	3,995
Provision of doubtful debt	280,076	-
Depreciation and amortisation expense	114,524	139,508
Share based payment expenses	-	3,773,216

6. Tax

	2018 \$	2017 \$
(a) Income tax benefit / (expense)		
Current tax	(618)	-
Deferred tax	-	-
	(618)	-
(b) Reconciliation of Income tax benefit to prima facie tax payable		
(Loss) before income tax	(606,992)	(4,085,118)
Income tax benefit @ 27.5%	90,475	1,123,491)
Add back: Share based payment not deductible	-	(1,037,634)
Add back: impact of foreign rates	(11,275)	(9,409)
Adjust: Tax benefit of tax losses and temporary differences not recognised	(79,200)	(76,448)
Tax payable	-	-

(c) Tax Losses

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

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

The Company has determined that it may not be able to use the income tax losses due to the change in beneficial ownership of the Company and satisfying the same business test.

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

7. Earnings per Share (Appendix 4E Item 14.1)

	2018	2017
	\$	\$
Net (loss) attributable to the ordinary equity holders of the Company	(607,610)	(4,085,173)
	2018	2017
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	80,113,525	11,267,234
	2018	2017
	cents	cents
Basic and Diluted Loss per share	(0.76)	(36.3)

8. Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash and cash equivalents	4,325,177	5,181,923
(a) Reconciliation to cash and cash equivalents at the end of the financial year		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	4,325,177	5,181,923
Bank overdraft	-	-
Balance as per statement of cash flows	4,325,177	5,181,923
(b) Reconciliation of net cash used in operating activities to operating loss		
Operating loss after income tax expense for the year	(607,610)	(4,085,173)
Add non – cash items:		
Depreciation and amortisation	139,150	139,508
Share based payments expense	-	3,773,216
Foreign exchange differences – (Gain)/Loss	-	(21,166)
Add / (deduct) movement in working capital:		
Trade and other receivables	617,002	(235,694)
Trade and other payables	(360,311)	(76,058)
	(211,769)	(505,367)

(c) Non-cash financing and investing activities

In the prior year the Company acquired 100% of Biztrak Business Solutions Sdn Bhd (Biztrak) (an entity incorporated in Malaysia). Biztrak also has a 100% owned subsidiary, Biztrak R&D Sdn Bhd (R&D) (an entity incorporated in Malaysia). The transaction resulted in Biztrak and R&D becoming 100% owned subsidiaries of the Company and the Company acquiring the Biztrak business.

The consideration paid by the Company for the acquisition of Biztrak was 30,000,000 fully paid ordinary shares and 30,000,000 performance rights (note: the shares and performance rights issued were issued post completion of 1 for 8 consolidation of the Company's share capital).

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

9. Trade and Other Receivables

	2018	2017
	\$	\$
Trade debtors	371,073	613,754
Less Provision for doubtful debts	(280,076)	-
	90,997	613,754
Other receivables	96,737	125,917
Income tax receivable	489	355
Receivable from related parties	-	-
	188,223	740,027

(a) Trade receivables past due but not impaired

The Group has \$nil trade receivables past due not impaired as at 31 December 2018 (2017: \$286,035)

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

10. Property, Plant and Equipment

	2018	2017
	\$	\$
Equipment – at cost	584,187	550,025
Less: accumulated depreciation	(490,480)	(470,487)
	93,707	79,538
(a) Movement		
Balance as at 1 January	79,538	77,218
Additions	34,162	33,039
Disposals	-	-
Depreciation expense	(19,993)	(30,719)
Balance as at 31 December	93,707	79,538

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

11. Intangible assets

	2018	2017
	\$	\$
Development expenditure		
At cost	445,067	2,567,978
Less: Accumulated depreciation	(170,805)	(2,122,911)
	<u>274,262</u>	<u>445,067</u>
Intellectual property		
At cost	694,773	1,032,895
Less: Accumulated depreciation	(3,932)	(783,189)
	<u>690,841</u>	<u>249,706</u>
Total intangible assets	<u>965,103</u>	<u>694,773</u>

Intangible assets are generating revenue and profits for Biztrak and are being amortised over their useful lives. As a consequence, no impairment indicators have been identified and the balance is fully recovered.

12. Trade and Other Payables

	2018	2017
	\$	\$
Trade payables ¹	79,758	108,541
Payable to related parties ²	-	18,774
Deferred revenue	94,475	-
Other payables and accruals	67,819	341,240
	<u>242,052</u>	<u>468,555</u>

¹ Accounts payable are non-interest bearing and are predominantly settled on 30 day terms.

² Payable to a director.

13. Financial Liabilities

	2018	2017
	\$	\$
Current		
Hire purchase ¹	-	6,714
Term loans ²	10,719	83,799
	<u>10,719</u>	<u>90,513</u>
Non- Current		
Hire purchase ¹	-	-
Term Loans ²	132,429	229,670
	<u>132,439</u>	<u>229,670</u>

¹ The Biztrak hire purchase liabilities bear interest rates ranging from 2.4% to 2.5% (2017: 2.4% to 2.5%)

² The Biztrak Term Loans are payable within five years, are jointly and severally guaranteed by certain Biztrak directors and a fixed deposit with interest rates ranging from 6.75% to 10.15% (2017: 6.75% to 10.15%).

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2018

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

14. Issued Capital (Appendix 4E Item 14.6)

	2018 Shares	2017 Shares	2018 \$	2017 \$
Ordinary shares fully paid	83,658,301	73,658,301	10,767,257	10,767,257

(a) Movement in ordinary shares

	2018 Shares	2018 \$	2017 Shares	2017 \$
Opening balance at beginning of period	73,658,301	10,767,257	51,296,612	1,482,456
Consolidation of shares (1 for 8) 13/9/17	-	-	(44,885,199)	-
	73,658,301	10,767,257	6,411,613	1,482,456
Conversion of convertible notes @ \$0.10 per share	-	-	3,500,000	350,000
Incentive shares issued @ \$0.20 per share	-	-	2,250,000	450,000
Shares issued to directors in lieu of fees @ \$0.15 per share	-	-	1,666,667	250,000
Shares issued to Biztrak shareholders @0.20 per share	-	-	30,000,000	3,115,658
Public offer @ \$0.20 per share	-	-	28,080,021	5,616,004
Shares issued to brokers and advisers for services @ \$0.20 per share	-	-	1,750,000	350,000
Issue of shares ¹	10,000,000	-	-	-
Capital raising costs	-	-	-	(846,859)
Closing balance at end of period	83,658,301	10,767,257	73,658,301	10,767,257

(1) On 11 July 2018 10 million of ordinary shares were issued following the conversion of performance rights. 9.5 million Shares will be held in escrow till 30 November 2019.

(b) Convertible notes

	2018 \$	2017 \$
Opening balance	-	100,000
Convertible note proceeds received during the year ¹	-	250,000
Convertible notes converted to ordinary shares ¹	-	(350,000)
Closing balance	-	-

¹ In the previous financial year the convertible notes, pursuant to convertible note deeds dated 28 April 2017, were converted into 3,500,000 fully paid ordinary shares at the conversion price of \$0.10 per share.

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

14. Issued Capital (Appendix 4E Item 14.6) (continued)

(c) Options and performance rights

As at 31 December 2018, there were no options on issue (2017: nil). During the year no options were issued (2017: nil)

As at 31 December 2018, there were 20,000,000 performance rights on issue (2017: 30,000,000) each converting into 1 fully paid ordinary share. During the year no new performance rights were issued (2017: 30,000,000).

During the year 10,000,000 performance rights were converted into 10,000,000 ordinary shares on 10 July 2018 following the completion of Stage 1 of the cloud based accounting software within eight months of the Company being admitted to the official list of ASX (being 28 November 2017).

20,000,000 performance rights are convertible into 20,000,000 ordinary shares upon Biztrak achieving an EBITDA target during the period commencing on the date that the Company was admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019.

15. Reserves

	2018	2017
	\$	\$
Foreign currency reserve		
Opening balance	(2,612)	(25,886)
Foreign currency translation ¹	(52,435)	23,274
Closing balance	(55,047)	(2,612)

¹ 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.

16. Acquisition of controlled entities

No acquisitions of controlled entities occurred during the period. In the prior financial year, on 27 November 2017, and following receipt of shareholder approval, the Company acquired 100% of the issued share capital of Biztrak Business Solutions Sdn Bhd (Biztrak) (an entity incorporated in Malaysia). Biztrak also has a 100% owned subsidiary, Biztrak R&D Sdn Bhd (R&D) (an entity incorporated in Malaysia). The transaction resulted in Biztrak and R&D becoming 100% owned subsidiaries of the Company and the Company acquiring the Biztrak business.

The consideration paid by the Company for the acquisition of Biztrak was 30,000,000 fully paid ordinary shares and 30,000,000 performance rights (note: the shares and performance rights issued were issued post completion of a 1 for 8 consolidation of the Company's share capital).

Under the Australian Accounting Standards Biztrak was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which Biztrak acquires the net assets and listing status of Cape Range Limited.

Notes to the preliminary financial statements (continued)
For the financial year ended 31 December 2018

17. 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

	2018 \$	2017 \$
FINANCIAL ASSETS		
Trade and other receivables	188,223	740,027
Cash and cash equivalents	4,325,177	5,181,923
FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables	242,052	468,555
Borrowings	132,429	229,670

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.

(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 2018 (2017: 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 preliminary financial statements (continued)

For the financial year ended 31 December 2018

18. Related party disclosure

(a) Subsidiaries

The Company has two subsidiaries that were acquired on 27 November 2017. The Company's subsidiaries are Biztrak Business Solution Sdn Bhd and Biztrak R&D Sdn Bhd. Both subsidiaries are incorporated in Malaysia.

Transactions with the subsidiaries were:

	2018 \$	2017 \$
Charges for consulting, legal, audit, travel and other costs incurred by Biztrak.	-	85,836

(b) Key management personnel

The following persons were key management personnel during the financial year:

i. Directors

Wayne Johnson, Michael Higginson, Gary Lim and Raja Jallaludin.

No other key management personnel were noted for the years ended 31 December 2018 and 31 December 2017.

ii. Key management personnel compensation

	2018 \$	2017 \$
Short-term employee benefits.	218,724	157,534
Share based payments	-	450,000
	218,724	607,534

(c) Loans to directors

There were no loans made to the directors of the Company or their related parties during the financial year (2017: nil).

(d) Other transactions with directors

The following transactions occurred during the financial year:

	2018 \$	2017 \$
Consulting fees for the provision of Mr Johnson's services were paid at normal commercial rates to Nobleman Ventures Pty Ltd, a company associated with Wayne Johnson (included in (b) (ii) above).	60,000	75,182
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	5,100

The above transactions were on commercial arms-length terms.

Notes to the preliminary financial statements (continued)

For the financial year ended 31 December 2018

19. Contingent Assets and Liabilities

There are no contingent assets and or liabilities at the date of this report (2017: nil).

20. 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.