Cape Range Limited

ABN 43 009 289 481

2018 Annual Report

For the financial year ended 31 December 2018

Contents

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

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Principal Place of Business

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Auditors

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Share Registry

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Nedlands, Western Australia 6009
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www.advancedshare.com.au

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 2018.

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, appointed 13 March 2018

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 Company during the financial year was to supply accounting and business intelligence software.

4. Corporate Structure

Cape Range Limited is a company limited by shares that is incorporated and domiciled in Australia. On 27 November 2017, the Company acquired 100% of the issued share capital of Malaysian incorporated Biztrak Business Solutions Sdn Bhd, which in turn owns 100% of Malaysian incorporated Biztrak R&D Sdn Bhd (collectively hereafter referred to as "Biztrak").

5. Dividends

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

6. Review of Operations and Financial Results

The functional and presentation currency of the Company is Australian Dollars. The functional currency of Biztrak is Malaysian Ringgit and their financial statements have been converted into the functional currency of the Company.

The loss after income tax for the reporting period was $603,426 (2017: loss $6,702,794). The loss for the year ended 31 December 2017 was mainly attributable to share based payments expense of $6,423,216.

7. Significant changes in the state of affairs

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

8. 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 Group's operations or results in future years, or the Group's state of affairs in future years.

9. Environmental regulation

The Group'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 Group's operations, the Directors of the Company are not aware of any breach by the Group of those regulations.

Directors Report (continued)

10. 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 Group and the expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

11. 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 corporate advisors. 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 SportsHero Limited (ASX code: SHO), Voltage IP Limited (ASX code: VIP) and Freehill Mining Limited (ASX code: FHS).

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 Chair of SportsHero Limited (ASX code: SHO) and a director of Voltage IP Limited (ASX code: VIP). Mr Higginson is a member of the Company's audit committee.

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 member of the Company's audit committee.

Mr Raja Ahmad Raja Jallaludin (Non-Executive Director – appointed 13 March 2018)
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 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.

Directors Report (continued)

12. 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:

	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
Director				
Wayne Johnson	5	5	-	-
Michael Higginson	5	5	1	1
Gary Lim	5	5	1	1
Raja Jallaludin (appointed 13 March 2018)	3	3	1	1

On 13 March 2018, the Board established an audit committee.

13. Retirement, election and continuation in office of Directors

In accordance with the Constitution, one third of the previously elected Directors will retire at the annual general meeting and, being eligible, offer themselves for re-election.

Directors Report (continued)

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 are 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's 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 August 2017. 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.

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

Directors Report (continued)

Remuneration Report (Audited) (continued)

B. Details of remuneration

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

2018	**Short-term benefits** Cash salary and fees $	Cash bonus $	Non-monetary $	**Post-employment benefits** Super-annuation $	**Long-term benefits** Long service leave $	**Share-based payments** Equity-settled shares $	Equity-settled options $	**Total** $
Non-Executive Directors:								
W Johnson (Chairman)	60,000	-	-	-	-	-	-	60,000
M Higginson[2]	88,727	-	-	-	-	-	-	88,727
G Lim	40,000	-	-	-	-	-	-	40,000
R. Jallaludin[1]	27,395	-	-	2,602	-	-	-	29,997
	216,122	-	-	2,602	-	-	-	218,724

[1] Represents remuneration from 13 March 2018

[2] Includes fees paid for the provision of Company Secretarial, accounting and legal support services

2017	Short-term benefits Cash salary and fees $	Cash bonus $	Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
W Johnson (Chairman)	75,182	-	-	-	-	150,000	-	225,182
Ml Higginson	79,019	-	-	-	-	150,000	-	229,019
G Lim[1]	3,333	-	-	-	-	-	-	3,333
R Ong[2]	-	-	-	-	-	150,000	-	150,000
J Georgiopoulos[3]	-	-	-	-	-	-	-	-
	157,534	-	-	-	-	450,000	-	607,534

[1] Represents remuneration from 24 November 2017

[2] Represents remuneration from 2 February 2017 to 17 July 2017

[3] Represents remuneration up to 24 November 2017

Directors Report (continued)

Remuneration Report (Audited) (continued)

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.

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.

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.

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.

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.

Directors Report (continued)

Remuneration Report (Audited)

D. Share-based compensation (continued)

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:

2018 Name	Balance at the start of the year	Additions	Disposals	Balance as at the end of the year
Wayne Johnson	1,804,150	-	(110,275)	1,693,875
Michael Higginson	1,636,250	-	-	1,636,250
Gary Lim	-	-	-	-
Raja Jallaludin[1]	-	-	-	-
	3,440,400	-	(110,275)	3,330,125

[1] Appointed 13 March 2018

2017 Name	Balance at the start of the year	1 for 8 consolidation	Allotment	Balance as at the end of the year
Wayne Johnson	2,833,200	(2,479,050)	1,450,000	1,804,150
Michael Higginson	1,490,000	(1,303,750)	1,450,000	1,636,250
Gary Lim[1]	-	-	-	-
R Ong[2]	-	-	5,250,000	5,250,000
J Georgiopoulos[3]	876,452	(766,897)	266,667	376,222[3]
	5,199,652	(4,549,697)	8,416,667	9,066,622

[1] Appointed 24 November 2017
[2] Appointed 2 February 2017, resigned 17 July 2017
[3] Resigned 24 November 2017 – balance held as at 24 November 2017

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. Equity instruments issued on exercise of remuneration options

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

Directors Report (continued)

End of Remuneration Report

14. 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.

15. Indemnity and insurance of officers

During the financial year, the Company paid a premium of $16,544 in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the *Corporations Act 2001*.

16. 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.

17. Non-audit services

Details of the amounts paid or payable for non-audit services provided during the year are set out below:

	2018 $	**2017 $**
Corporate services	-	20,000

18. Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2018 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

Wayne Johnson
Non-Executive Chairman

29 March 2019
Sydney

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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 AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

(a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(b) any applicable cost of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb
Partner
Dated: 29 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2018

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Revenue	**9**	775,729	816,221
Cost of sales		(44,963)	(53,976)
Gross profit		730,766	762,245
Other operating income	**9**	178,098	2,878
Expenses			
Administration expenses	**9**	(966,029)	(752,900)
Marketing & promotional expenditure		(17,989)	(69,616)
Other operating expenses		(363,027)	(49,682)
Finance costs		(30,292)	(32,940)
Depreciation and amortisation expenses		(134,342)	(139,508)
Share based payments		-	(6,423,216)
Total expenses		(1,511,679)	(7,467,862)
Loss before income tax		(602,815)	(6,702,739)
Income tax expense	**10**	(611)	(55)
Loss after tax		(603,426)	(6,702,794)
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations		43,303	34,549
Total comprehensive income for the year		(560,123)	(6,668,245)
Basic and diluted (loss) per share (cents per share)	**11**	(0.77)	(59.49)

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

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Assets			
Current assets			
Cash and cash equivalents	12	4,255,177	5,181,923
Trade and other receivables	13	247,108	740,027
Total current assets		4,502,285	5,921,950
Non-current assets			
Plant and equipment	14	93,707	79,538
Intangible assets	15	965,105	694,773
Total non-current assets		1,058,812	774,311
Total assets		5,561,097	6,696,261
Current liabilities			
Trade and other payables	16	130,608	468,556
Deferred revenue		94,473	94,068
Provisions	17	-	2,650,000
Borrowings	18	29,256	150,977
Total current liabilities		254,337	3,363,601
Non-current liabilities			
Borrowings	18	113,893	229,670
Total non-current liabilities		113,893	229,670
Total liabilities		368,230	3,593,271
Net assets		5,192,867	3,102,990
Equity			
Issued capital	19	13,417,257	10,767,257
Foreign currency translation reserve	20	45,727	2,424
Accumulated losses		(8,270,117)	(7,666,691)
Total equity		5,192,867	3,102,990

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 2018

	Issued Capital Ordinary Shares $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Balance at 01/01/2018	**10,767,257**	**2,424**	**(7,666,691)**	**3,102,990**
Loss for the year	-	-	(603,426)	(603,426)
Foreign exchange translation reserve	-	43,303	-	43,303
	-	43,303	(603,426)	(560,123)
Transactions with owners, in their capacity as owners and other transfers				
Shares and performance rights issued	-	-	-	-
Equity raising costs	-	-	-	-
Conversion of performance rights	2,650,000	-	-	2,650,000
	2,650,000	-	-	2,650.000
Balance at 31/12/2018	**13,417,257**	**45,727**	**(8,270,117)**	**5,192,867**
Balance at 01/01/2017	**1,482,456**	**(32,125)**	**(963,897)**	**486,434**
Loss for the year	-	-	(6,702,794)	(6,702,794)
Foreign exchange translation reserve	-	34,549	-	34,549
	-	34,549	(6,702,794)	(6,668,245)
Transactions with owners, in their capacity as owners and other transfers				
Shares issued	9,081,660	-	-	9,081,660
Equity raising costs	(846,859)	-	-	(846,859)
Share based payments	1,050,000	-	-	1,050,000
	9,284,801	-	-	9,284,801
Balance at 31/12/2017	**10,767,257**	**2,424**	**(7,666,691)**	**3,102,990**

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2018

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Cash flows from operating activities			
Receipts from customers		913,185	551,381
Payments to suppliers and employees		(1,252,628)	(728,957)
Interest received		100,075	-
Payment of income tax		(745)	(410)
Finance costs		(30,292)	(32,940)
Net cash used in operating activities	**12(b)**	**(270,405)**	**(210,926)**
Cash flows from investing activities			
Payments for plant & equipment		(29,446)	(23,482)
Payments for intangibles		(389,397)	(304,103)
Net cash used in investing activities		**(418,843)**	**(327,585)**
Cash flows from financing activities			
Repayment of term loan		(131,510)	(50,354)
Repayment of long-term loan		(38,809)	(84,509)
Repayment of hire purchase liabilities		(6,714)	(9,717)
Loan from directors		-	34,890
Proceeds from issue of shares		-	5,469,145
Net cash (used in) / provided by financing activities		**(177,033)**	**5,359,455**
Net (decrease) / increase in cash and cash equivalents held		(866,281)	4,820,944
Cash acquired on acquisition		-	211,175
Cash and cash equivalents at the beginning of the year		5,121,458	89,339
Effect of movements in exchange rates on cash held		-	-
Cash and cash equivalents at the end of the financial year	**12(a)**	**4,255,177**	**5,121,458**

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 2018

1. Corporate Information

The financial report of Cape Range Limited and its controlled entities (**Group**) for the year ended 31 December 2018 was authorised for issue in accordance with resolutions of the Directors on 29 March 2019.

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 29 Brookside Place, Lota, Queensland, 4179.

The registered office of Biztrak Business Solutions Sdn Bhd and Biztrak R&D Sdn Bhd is Unit C-6-5, 6th Floor, Block C, Megan Avenue II, No 12, Jalan Yap Kwang 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 22.

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 Cape Range Limited is Australian Dollars. The financial report is presented in Australian dollars, which is the Group's presentation currency.

d) 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 $603,426 (31 December 2017: 6,702,794) for the year it had net assets of $5,192,867 as at 31 December 2018 (31 December 2017: $3,102,990). Following the acquisition of Biztrak and the raising of $5,614,004 (before costs) in capital in the previous financial year, the Group continues to have sufficient cash to pay its debts as and when they fall due. As at 31 December 2018, the Group had $4,255,177 in cash (31 December 2017: $5,181,923).

2. Summary of Significant Accounting Policies (continued)

e) Acquisition accounting

In the previous corresponding period 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 has acquired the net assets of Cape Range Limited.

Accordingly, the 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 financial statements are as follows;

Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flow

The 31 December 2017 comparative statements comprise 12 months of Biztrak and its subsidiaries and the period from acquisition date, 27 November 2017 to 31 December 2017 for Cape Range Limited.

Statement of Financial Position

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

3. 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.

4. New and Revised Accounting Requirements

During the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. Refer to Note 6 for the impact of the adoption of these new and revised Standards and Interpretations.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

5. 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

Deferred income tax is recognised for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that future taxable profits will be available to allow all or part of the carrying amount to be utlised. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

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.

5. Significant Accounting Policies (continued)

c) Impairment of assets

At the end of each reporting period management assesses whether there is any evidence that an asset may be impaired. 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.

d) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements and amortised.

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.

5. Significant Accounting Policies (continued)

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.

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.

The assessment of the Group's business model was made as of 1 January 2018 and then applied retrospectively. No restatement was required.

Impairment

The adoption of AASB 9 requires the Group to record an allowance for Expected Credit Losses (ECL's) for all loans and other financial assets not held at FVPL. ECL's are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive. The short fall is then discounted at an approximation to the asset's original effective interest rate. The adoption of the ECL requirements of AASB 9 resulted in no change in impairment allowances of the Group's trade receivables.

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.

5. Significant Accounting Policies (continued)

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.

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.

5. Significant Accounting Policies (continued)

i) Revenue and Other Income

Revenue recognition
The Group has applied AASB 15: *Revenue from Contracts with Customers.* Comparative information has been restated to comply with AASB 15.

Revenue generated by the Group is categorised into the following reportable segments:
- Gross invoiced value of packaged accounting and business management software sold, net of discounts and trade returns, 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 packaged accounting and business management software
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.

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 the after-sale maintenance support services to customers, with revenue recognised on a straight-line basis over the contract term.

Refer to Note 6 for application of AASB 15.

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.

5. Significant Accounting Policies (continued)

j) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

k) 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.

l) Employee entitlements

Share-based payments

Equity-settled share-based compensation benefits are provided to Non-Executive Directors. Equity-settled transactions are awards of shares, or options over shares, that are provided in exchange for the rendering of services. The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately.

5. Significant Accounting Policies (continued)

m) 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.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are 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 average rates prevailing at the end of the financial period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

n) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cap Range Limited ("Company" or "parent entity") as at 31 December 2018 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 2018

6. Initial application of new standards, interpretations and amendments adopted by the Group

The Group has adopted *AASB 15: Revenue from Contracts with Customers* with an initial application date of 1 January 2018. As a result, the Group has changed its accounting policy for revenue recognition as outlined in Note 5(i).

The Group has applied AASB 15 using the cumulative effect method; that is, by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has been restated. The following tables provide details of the significant changes and quantitative impact of those changes.

Adjustments made to: Consolidated statement of financial position	**Under previous accounting policy**	**AASB 15 adjustments**	**As presented**
As at 31 December 2017	**$**	**$**	**$**
Liabilities			
Current liabilities			
Deferred revenue	-	94,068	94,068
Total current liabilities	619,533	94,068	713,601
Total liabilities	849,203	94,068	943,271
Net assets (excluding provisions)	5,847,057	(94,068)	5,752,989
Equity			
Issued capital	10,767,257	-	10,767,257
Accumulated losses	(4,917,588)	(99,102)	(5,016,690)
Foreign currency translation reserve	(2,612)	5,034	2,422
Total equity	5,847,057	(94,068)	5,752,989
As at 1 January 2017			
Liabilities			
Current liabilities			
Deferred revenue	-	137,721	137,721
Total current liabilities	206,358	137,721	344,079
Total liabilities	580,778	137,721	718,499
Net assets	624,155	(137,721)	486,434
Equity			
Issued capital	1,482,456	-	1,482,456
Accumulated losses	(832,415)	(131,482)	(963,897)
Foreign currency translation reserve	(25,886)	(6,239)	(32,125)
Total equity	624,155	(137,721)	486,434

6. Initial application of new standards, interpretations and amendments adopted by the Group (continued)

Adjustments made to: **Consolidated statement of profit or loss and other comprehensive income** **Year ended 31 December 2017**	**Under previous accounting policy** **$**	**AASB 15 adjustments** **$**	**As presented** **$**
Revenue	783,841	32,380	816,221
Loss before income tax	(4,085,118)	32,380	(4,052,738)
Tax expense	-	-	-
Loss after tax (excluding share based payment adjustment, refer Note 21)	(4,085,173)	32,380	(4,052,793)

The adjustments had no impact on earnings per share.

The Group has adopted AASB 9: Financial Instruments with an initial application date of 1 January 2018. As a result, the Group has changed its accounting policy for financial instruments as outlined in Note 5(f).

There was no quantifiable impact on transition to AASB 9.

7. New standards, interpretations and amendments for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

The consolidated entity is progressing with the assessment to determine the impact of this standard on the financial performance and position of the consolidated entity. The Group’s operating leases will be capitalised as a right to use asset and a corresponding lease liability will be recorded on the statement of financial position. This standard is expected to impact the Group to the extent of its current operating lease commitments which expire in October 2020. Based on these current commitments a right of use asset and a corresponding liability amounting to $16,374 would be recognised in the statement of financial position,

8. 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 $
Year ended 31 December 2018				
Revenue from external customers	-	775,729	-	775,729
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(494,860)	(108,566)	-	(603,426)
Year ended 31 December 2017				
Revenue from external customers	-	816,221	-	816,221
Inter-segment revenue	-	-	(5,973,216)	(5,973,216)
Reportable segment profit/(loss) before tax	(1,030,798)	301,275	(5,973,216)	(6,702,739)
Reportable segments assets				
At 31 December 2018	16,230,604	1,266,993	(11,936,500)	5,561,097
At 31 December 2017	14,174,722	1,607,105	(9,085,566)	6,696,261
Reportable segments liabilities				
At 31 December 2018	144,676	504,560	(281,006)	368,230
At 31 December 2017	2,893,935	787,365	(88,029)	3,593,271

9. Revenue, other income and expenses

	2018 $	2017 $
Total Revenue from contracts with customers	775,729	816,221
Other income		
Interest revenue	100,075	2,878
Debt forgiveness	78,023	-
	178,098	2,878
Loss before tax includes the following specific items:		
Accounting, Consulting, legal and professional fees	211,742	60,098
ASX Listing and Share registry expenses	57,592	1,995
Travel, meals and entertainment	119,516	14,089
Depreciation & amortisation	134,342	139,508
Provision for doubtful debts	356,001	-

10. Tax

	2018 $	2017 $
(a) Income tax benefit / (expense)		
Current tax	(611)	(55)
Deferred tax	-	-
	(611)	(55)
(b) Reconciliation of Income tax benefit to prima facie tax payable		
(Loss) before income tax	(602,815)	(6,702,739)
Income tax benefit @ 27.5%	(165,774)	(1,843,253)
Add: Share based payment not deductible	-	1,766,384
Add: impact of foreign tax rates	3,778	9,783
Add: Tax benefit of tax losses and temporary differences not recognised	161,385	67,031
Income tax expense	(611)	(55)

(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.

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.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

11. Earnings per Share

	2018 $	2017 $
Net (loss) attributable to the equity holders of the Company	(603,426)	(6,702,794)

	2018 No.	2017 No.
Weighted average number of ordinary shares	78,428,424	11,267,234

	2018 Cents	2017 Cents
Basic and Diluted Loss per share	(0.77)	(59.49)

12. Cash and Cash Equivalents

	2018 $	2017 $
(a) Cash and cash equivalents		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	4,255,177	5,181,923
Bank overdraft	-	(60,465)
	4,255,177	5,121,458
(b) Reconciliation of net cash used in operating activities to operating loss		
Operating loss after income tax expense for the year	(603,426)	(6,702,794)
Add non – cash items:		
Depreciation and amortisation	134,342	139,508
Debt forgiveness	(78,023)	-
Provision for doubtful debts	356,001	-
Share based payments expense	-	6,423,216
Foreign exchange differences – (gain)/loss	43,304	(9,892)
Add / (deduct) movement in working capital:		
Trade and other receivables	136,917	(235,694)
Deferred revenue	405	(43,653)
Trade and other payables	(259,925)	218,383
	(270,405)	(210,926)

(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.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

12. Cash and Cash Equivalents (continued).

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).

13. Trade and Other Receivables

	2018 $	2017 $
Trade Debtors	446,998	613,754
Less Provision for Doubtful Debts	(356,001)	-
	90,997	613,754
Other receivables	155,622	125,918
Income tax receivable	489	355
	247,108	740,027

(a) Trade receivables past due but not impaired

During the year, trade receivables amounting to $356,001 were fully provided for.
Nil of trade receivables (2017: $356,001) are past due and not impaired.
All other trade receivables are assessed as being fully recoverable.

(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.

14. Plant and Equipment

	2018 $	2017 $
Equipment – at cost	480,858	550,025
Less: accumulated depreciation	(387,151)	(470,487)
	93,707	79,538
Movement		
Balance as at 1 January	79,538	77,218
Additions	29,446	33,039
Depreciation expense	(15,277)	(30,719)
Balance as at 31 December	93,707	79,538

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

15. Intangible assets

	2018 $	2017 $
Development expenditure		
At cost	3,102,602	2,567,978
Less: Accumulated amortisation	(2,347,672)	(2,122,911)
	754,930	445,067
Intellectual property		
At cost	1,096,063	1,032,895
Less: Accumulated amortisation	(885,888)	(783,189)
	210,175	249,706
Total intangible assets	965,105	694,773

Movement		
Development expenditure		
Balance at 1 January	445,067	213,529
Additions	389,397	294,543
Amortisation charge	(79,534)	(63,005)
	754,930	445,067
Intellectual property		
At cost	249,706	295,490
Additions	-	-
Amortisation charge	(39,351)	(45,784)
	210,175	249,706
Total intangible assets	965,105	694,773

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 recoverable.

16. Trade and Other Payables

	2018 $	2017 $
Trade payables [1]	97,944	89,768
Payable to related parties [2]	7,842	18,774
Other payables and accruals	24,822	360,014
	130,608	468,556

[1] Accounts payable are non-interest bearing and are predominantly settled on 30-day terms
[2] Payable to directors

17. Provisions

	2018 $	2017 $
Contingent consideration[1]	-	2,650,000
	-	2,650,000

[1] Contingent consideration represents the fair value of 10,000,000 performance rights which were converted to shares at a price of $0.265 per share on 10 July 2018.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

18. Borrowings

	2018 $	2017 $
Current		
Hire purchase [1]	-	6,714
Term loans [2]	29,256	83,798
Bank overdraft	-	60,465
	29,256	150,977
Non- Current		
Term Loans [2]	113,893	229,670
	113,893	229,670

[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%).

19. Issued Capital

	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares fully paid	83,658,301	73,658,301	13,417,257	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)	-	-	(44,885,199)	-
	73,658,301	10,767,257	6,411,413	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	3,115,656
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	2,650,000	-	-
Capital raising costs	-	-	-	(846,859)
Closing balance at end of period	83,658,301	13,417,257	73,658,301	10,767,257

[1] On 10 July 2018, 10 million ordinary shares were issued following the conversion of 10 million performance rights. 9.5 million of these shares are being held in escrow until 30 November 2019. The fair value of the 10 million shares at the date of issue was $2,650,000 (ie $0.265 per share).

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

19. Issued Capital

(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.

(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.

20. Reserves

	2018 $	2017 $
Foreign currency reserve		
Opening balance	2,424	(32,125)
Foreign currency translation [1]	43,303	34,549
Closing balance	45,727	2,424

[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.

21. 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 AASB 3, 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.

In 2018, the accounting purchase price of Biztrak was amended by increasing the share-based payment expense from $3,323,216 at 31 December 2017 to $5,973,216 at 31 December 2018. The amendment was due to the finalisation of the recognition of the fair value of performance rights issued as part of the purchase consideration. Specifically, the conversion of 10,000,000 performance rights 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.

The Directors have assessed that the EBITA criteria for the conversion to equity of the remaining 20,000,000 performance rights is unlikely to be achieved.

	$
Initially deemed consideration	(3,115,656)
Adjustment to deemed consideration	(2,650,000)
Final deemed consideration	(5,765,656)
Less: net liabilities of Cape Range on acquisition date	(207,560)
Share based payment expense	(5,973,216)
Fair value of Net Assets of Cape Range acquired by Biztrak	
Receivables	11,587
Cash and cash equivalents	211,177
Total Assets	**222,764**
Trade and Other payables	(430,324)
Total Liabilities	**(430,324)**
Net liabilities	**(207,560)**

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

22. Parent information

	2018 $	2017 $
ASSETS		
Current assets	**4,577,054**	5,171,172
Non-current assets	**11,653,550**	9,003,550
TOTAL ASSETS	**16,230,604**	14,174,722
LIABILITIES		
Current liabilities	**144,676**	2,893,935
Non-current liabilities	**-**	-
TOTAL LIABILITIES	**144,676**	2,893,935
NET ASSETS	**16,085,928**	11,280,787
EQUITY		
Issued capital	**26,431,879**	23,781,879
Accumulated losses	**(10,345,951)**	(12,501,092)
TOTAL EQUITY	**16,085,928**	11,280,787
Loss for the year	**494,860**	3,680,796
Total comprehensive loss	**494,860**	3,680,796

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2018 and 31 December 2017.

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2018 and 31 December 2017.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2018

23. 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	**247,108**	740,027
Cash and cash equivalents	**4,255,177**	5,181,923
FINANCIAL LIABILITIES		
Trade and other payables	**130,608**	468,556
Borrowings	**143,149**	380,647

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 2018

23. Financial Risk Management (continued)

2018	Weighted Average Interest Rate %	<6 months $	>6-12 months $	>12 months $	Total Contractual Cash Flows $	Carrying Amount $
Financial assets						
Non-interest bearing	-	-	-	-	-	-
Cash	2.71%	4,255,177	-	-	4,255,177	4,255,177
Trade and other receivables		247,108	-	-	247,108	247,108
		4,502,285	-	-	4,502,285	4,502,285
Financial liabilities						
Non-interest bearing	-	-	-	-	-	-
Borrowings	8.6%	29,256	-	113,893	143,149	143,149
		29,256	-	113,893	143,149	143,149

2017	Weighted Average Interest Rate %	<6 months $	>6-12 months $	>12 months $	Total Contractual Cash Flows $	Carrying Amount $
Financial assets						
Non-interest bearing		-	-	-	-	-
Cash	3.15%	5,181,923	-	-	5,181,923	5,181,923
Trade and other receivables	-	740,026	-	-	740,026	740,026
		5,921,949	-	-	5,921,949	5,921,949
Financial liabilities						
Non-interest bearing	-	468,555	-	-	468,555	468,555
Borrowings	8.35%	150,977	-	229,670	380,647	380,647
		619,532	-	229,670	849,202	849,202

(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 Financial Statements (continued)
For the financial year ended 31 December 2018

24. Related party disclosures

(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:
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.

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 $
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 Financial Statements (continued)
For the financial year ended 31 December 2018

25. Contingent assets and liabilities

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

26. 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.

27. Remuneration of auditors

	2018 $	2017 $
Auditors of the Company: Hall Chadwick		
- Audit and review of the financial report	**60,500**	48,500
Auditor of Biztrak: Ong & Wong		
- Audit and review of the financial report	**3,773**	4,005

28. Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

	2018 $	2017 $
Payable – minimum lease payments		
- Not later than 12 months	**20,683**	13,518
- Between 12 month and five years	**16,374**	-
- Later than 5 years	**-**	-
	37,057	13,518

Directors' Declaration

For the year ended 31 December 2018

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 1 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 2018 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

Wayne Johnson
Chairman

29 March 2019
Sydney

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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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

Opinion

We have audited the financial report of Cape Range Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

(a) the accompanying financial report of Cape Range Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations* 2001

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis of Opinion

We 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 about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility* section of our report. We are independent of the Consolidated Entity in accordance with 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.

Key Audit Matters

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

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

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Application of AASB 15 *Revenue from Contracts with Customers* *Refer to Note 6 Initial Application of New Standards and Accounting Policy Note 2 (i)*	**Our procedures included, amongst others:**
The application of AASB 15 is a key audit matter as: • AASB 15 became effective for periods beginning on or after 1 January 2018 and has an impact on the Group; • The Group has 2 main revenue streams: - Sales of packaged accounting and business management software - After sales maintenance support services; • The second of these revenue streams require judgement on interpreting the contractual terms including performance obligations and assessing the allocation of revenue over time.	• We assessed the impact of the Group's revenue streams on transition to AASB 15, including changes to the Group's revenue recognition accounting policies; • We obtained and reviewed a sample of contracts, considering the terms and conditions, performance obligations of these arrangements and assessing the accounting treatment under AASB 15; • We verified management's calculation for deferred revenue in the current year, the deferred revenue restatements in the prior year and the restatement to opening retained earnings; • We assessed the adequacy of the Group's disclosures in respect to the application of AASB 15.
Carrying value of Intangible Assets $965,104 *Refer to Note 15 Intangible Assets and Accounting Policy Note 2(h)*	**Our procedures included, amongst others:**
The carrying value of intangible assets is a key audit matter as: • The development expenditure and intellectual property represents circa 17% of the Group's total assets. • We applied a significant level of judgement when considering management's assessment of the carrying value of intangible assets.	• We assessed the basis for capitalisation and subsequent measurement of intangible assets; • For finite life intangible assets, we re-performed management's calculation of the amortisation charge to ensure the charge is in accordance with the company's accounting policy; • We verified a sample of expenditure incurred to supporting documentation. • We assessed the adequacy of the Group's disclosure in respect of intangible assets.

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 in the Group's for the year ended 31 December 2018, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and 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 the 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 Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as 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 Consolidated Entity's ability 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 Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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

– 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.

HALL CHADWICK (NSW)

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 10 of the directors' report for the year ended 31 December 2018.

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Opinion

In our opinion the remuneration report of Cape Range Limited for the year ended 31 December 2018 complies with s 300A of the *Corporations Act 2001*.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street

Graham Webb
Partner
Dated: 29 March 2019

Corporate Governance Statement

For the year ended 31 December 2018

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 3rd 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

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 22 February 2019.

Substantial Shareholder

Shareholder	Number of Shares	% of Shares Held
iFree Group (International) Limited	35,000,000	41.84%

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.

Distribution of Equity Security Holders

	Fully paid shares	Performance rights
1 - 1,000	946	-
1,001 - 5,000	227	-
5,001 - 10,000	64	-
10,001 - 100,000	136	
100,000 and over	40	3
Number of holders	**1,413**	**3**

There were 765 shareholders holding less than a marketable parcel of shares as at 22 February 2019.

Option holder Information

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

Members Information

Top 20 Shareholders as at 22 February 2019

Holder Name	Holding	% held
IFREE GROUP (INTERNATIONAL) LIMITED	35,000,000	41.84
BNP PARIBAS NOMS PTY LTD	8,406,818	10.05
MONEX BOOM SECURITIES (HK) LTD	7,923,272	9.47
ONG RUI YUAN	6,750,000	8.07
CITICORP NOMINEES PTY LTD	2,584,819	3.09
RHB SECURITIES SINGAPORE PTE LTD	2,185,995	2.61
ANITA HIGGINSON	1,450,000	1.73
NOBLEMEN VENTURES PTY LTD	1,450,000	1.73
LOKE PEI PEI	1,050,000	1.26
WING SIM LISA CHAN	1,045,691	1.25
LIH TYNG ONG	948,861	1.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	900,577	1.08
EDDY VIRGO NG	755,676	0.90
PHILLIP SECURITIES PTE LTD	714,634	0.85
FERMIN ROBERT WAN	625,000	0.75
YONG SHENG MINING COMPANY LTD	625,000	0.75
YUXIA SHEN	500,000	0.60
SHYUE XIAN CHONG	495,000	0.59
HOOI KEOW HENG	478,194	0.57
HOCK TIONG TAN	472,482	0.56
Total	**74,362,019**	**88.89**

Restricted securities

The Company has the following Restricted Securities on issue.

Number	Class
46,666,667	Fully paid ordinary shares (held in ASX imposed escrow until 30 November 2019).
19,000,000	Performance rights (held in ASX imposed escrow until 30 November 2019).

Unquoted equity securities

All of the restricted securities listed above are unquoted. All other securities on issue are quoted, namely 36,991,634 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. 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 ordinary shares on all Member Exchanges of the Australian Stock Exchange Limited, domiciled in Perth.