

Cape Range Limited

ACN: 009 289 481

**Half Year Financial Report for the Six Months
Ended 30 June 2015**

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Corporate Information

ASX Code: CAG

Directors

Mr Wayne Johnson (Non-Executive Chairman)

Mr Michael Higginson (Non-Executive Director)

Mr John Georgiopoulos (Non-Executive Director)

Company Secretary

Mr Michael Higginson

Registered Office

116 Alastair Street
Lota Queensland 4179
Tel: (07) 3901 0751
Fax: (07) 3901 0751

Share Registrar

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Tel: (08) 9315 0933
Fax: (08) 262 3723

Principal Place of Business

116 Alastair Street
Lota Queensland 4179
Tel: (07) 3901 0751
Fax: (07) 3901 0751

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000
Tel: (02) 9263 2600
Fax: (02) 9263 2800

Directors' Report

The Directors submit their report on Cape Range Limited (the "Company" or "CAG") for the half year ended 30 June 2015.

In order to comply with the provisions of the Corporations Act 2001, the Directors' Report as follows:

Directors

The Directors of the Company at any time during or since the end of the financial period are set out below:

Mr Wayne Johnson (Chairman)
Mr Michael Higginson (Non-Executive Director)
Mr John Georgiopoulos (Non-Executive Director)
Mr Anthony Tascone (Non-Executive Director – resigned 30 November 2015)

Review and Results of Operations

The loss after tax for the half year ended 30 June 2015 attributable to the member of the Company was \$5,304 (30 June 2014: loss of \$205,189). The loss for the half year ended 30 June 2015 was mainly attributable to the review and evaluation of projects of interest to the Company.

Subsequent Events

On 27 November 2015, the Company entered into a conditional Heads of Agreement (HoA) for the merger of the Company with Australian based financial services company Woolwich Capital Limited (**Woolwich**).

The consideration payable by Cape Range for the acquisition of Woolwich is 750,000,000 Cape Range shares. Cape Range will also issue a further 250,000,000 shares if Woolwich delivers for the Company an EBITDA of not less than \$500,000 in the financial year ended 31 December 2016 (**Milestone 1**). The transaction is subject to a number of conditions precedents, including due diligence and approval by Cape Range shareholders at a meeting to be held on 31 December 2015.

Woolwich is an Australian based specialist investment and management company that strategically invests in businesses with the aim to restructure, recapitalise and amalgamate to add value to all parties. Woolwich maintains the ability to co-invest and delivers investor returns by dealing in growth companies.

Completion of the acquisition of Woolwich by Cape Range is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) completion of legal and financial due diligence by Cape Range on Woolwich within the period of seven (7) days after the date of the HoA (or such other date as agreed by the parties in writing) and the results of that due diligence being satisfactory to Cape Range (in its sole and absolute discretion);
- (b) completion of legal and financial due diligence by Woolwich on Cape Range within the period of seven (7) days after the date of the HoA (or such other date as agreed by the parties in writing) and the results of that due diligence being satisfactory to Woolwich (in its sole and absolute discretion);
- (c) The relevant parties entering into a share sale and purchase agreement (**SSA**) in order to more fully document the binding terms of the acquisition of Woolwich shares by Cape Range, which shall be on terms acceptable to each of the parties (acting reasonably) and which are proposed to be consistent with the terms set out in the HoA;
- (d) the approval of the shareholders of Cape Range being obtained in general meeting for the performance of the transactions contemplated by the HoA and/or SSA in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001;
- (e) Cape Range complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares readmitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties;
- (f) Cape Range preparing and issuing a prospectus to raise a minimum of \$1,000,000 and up to a maximum of \$2,000,000 at an issue price of at least \$0.02 per Cape Range share with a minimum subscription of \$1,000,000 (**Prospectus**), lodging the Prospectus with the Australian Securities & Investments Commission and receiving applications to meet the minimum subscription;

CAPE RANGE LIMITED

- (g) Woolwich lending Cape Range not less than \$250,000 in clear funds within 7 days. The loan is for 6 months and is interest free;
- (h) ASX granting a waiver to allow the issue of the 250,000,000 shares in the event that Milestone 1 is achieved; and
- (i) Within 7 days, Woolwich raising not less than \$2,000,000 in equity capital.

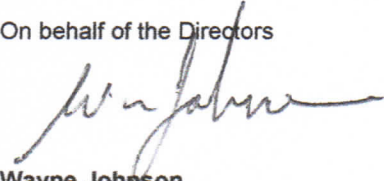
On 30 November 2015, Mr Anthony Tascone resigned as a Director of the Company.

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 30 June 2015 has been received and can be found on page 13.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



Wayne Johnson
Director

Date: 17th day of December 2015

CAPE RANGE LIMITED

Statement of Profit or Loss and other Comprehensive Income

For the Six Months Ended 30 June 2015

| | 30 June 2015 | 30 June 2014 |
|--|----------------|------------------|
| | \$ | \$ |
| Continuing operations | | |
| Other income | 5 | 531 |
| Debt forgiveness | 84,339 | - |
| Total other income | 84,344 | 531 |
| ASIC fees | (1,070) | (1,412) |
| ASX fees | (22) | (76) |
| Share registry fees | (7,580) | (3,549) |
| Accounting & Audit fees | (12,716) | (16,786) |
| Consultants fees | (63,220) | (91,572) |
| Legal and professional fees | - | (7,303) |
| Occupancy expenses | (2,400) | (5,795) |
| Travel and accommodation fees | (2,479) | (16,140) |
| Interest expense | - | (10,125) |
| Share based payment expense | - | (48,090) |
| Other expenses | (161) | (4,872) |
| Loss before income tax benefit | (5,304) | (205,189) |
| Income tax benefit | | - |
| Net loss for the period | (5,304) | (205,189) |
| Total comprehensive loss for the period attributable to the owners of the Company | (5,304) | (205,189) |
| Basic loss per share | (0.0001) | (0.0056) |
| Diluted loss per share | (0.0001) | (0.0056) |

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

CAPE RANGE LIMITED

Statement of Financial Position

As at 30 June 2015

| | | 30 June 2015 | 31 December 2014 |
|----------------------------------|-------|------------------|------------------|
| | Notes | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | | 37,002 | 56,187 |
| Trade and other receivables | | 13,074 | 22,024 |
| Total Current Assets | | 50,076 | 78,211 |
| Total Assets | | 50,076 | 78,211 |
| Current Liabilities | | | |
| Trade and other payables | | 269,516 | 292,347 |
| Total Current Liabilities | | 269,516 | 292,347 |
| Total Liabilities | | 269,516 | 292,347 |
| Net Liabilities | | (219,440) | (214,136) |
| Equity | | | |
| Equity | 7 | 8,262,733 | 8,262,733 |
| Reserves | | 48,090 | 48,090 |
| Accumulated losses | | (8,530,263) | (8,524,959) |
| Total Equity | | (219,440) | (214,136) |

The above statement of financial position should be read in conjunction with the accompanying notes.

CAPE RANGE LIMITED

Statement of Changes in Equity For the Six Months Ended 30 June 2015

| | Issued Capital \$ | Share-based Payment Reserve \$ | Accumulated Losses \$ | Total \$ |
|--|-------------------------|---|-----------------------------|------------------|
| Balance as at 1 January 2015 | 8,262,733 | 48,090 | (8,524,959) | (214,136) |
| Total comprehensive income for the period | - | - | (5,304) | (5,304) |
| New share issues (net of capital raising costs) | - | - | - | - |
| Balance as at 30 June 2015 | <u>8,262,733</u> | <u>48,090</u> | <u>(8,530,263)</u> | <u>(219,440)</u> |
| Balance as at 1 January 2014 | 7,272,733 | 54,000 | (8,186,261) | (859,528) |
| Total comprehensive income for the period | - | - | (205,189) | (205,189) |
| Share based payments | - | 48,090 | - | 48,090 |
| New shares issues (net of capital raising costs) | 675,000 | - | - | 675,000 |
| Balance as at 30 June 2014 | <u>7,947,733</u> | <u>102,090</u> | <u>(8,391,450)</u> | <u>(341,627)</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CAPE RANGE LIMITED

Statement of Cash Flows

For the Six Months Ended 30 June 2015

| | | 30 June 2015 | 30 June 2014 |
|--|------|--------------|--------------|
| | Note | \$ | \$ |
| Cash Flows From Operating Activities | | | |
| Payments to suppliers and employees | | (19,190) | (253,697) |
| Interest & other income received | | 5 | 531 |
| Interest paid | | - | (10,125) |
| Net cash (used in) operating activities | 6 | (19,185) | (263,291) |
| Cash Flows From Investing Activities | | | |
| Net cash (used in) investing activities | | - | - |
| Cash Flows From Financing Activities | | | |
| Net cash from financing activities | | - | - |
| Net (decrease) in cash and cash equivalents | | (19,185) | (263,291) |
| Cash and cash equivalents at beginning of period | | 56,187 | 522,800 |
| Cash and cash equivalents at end of period | | 37,002 | 259,509 |

The above statement of cash flows should be read in conjunction with the accompanying note.

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2015

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The Company's registered office is 116 Alastair Street, Lota, Queensland 4179.

2. Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and considered together with any public announcements made by Cape Range Limited during the half year ended 30 June 2014 in accordance with the continuous disclosures obligations of the ASX listing rules.

3. Basis of Preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all the types of notes normally included within the annual financial report and therefore cannot be expected to provide as full understanding of the financial position, financial performance and financing and investing activities of the Company as the year-end financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the financial year ended 31 December 2014 and the previous corresponding half-year period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

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

4. Going Concern

The half year financial report has 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. The Company incurred an operating loss after tax of \$5,304 (30 June 2014: \$205,189) for the period and had negative net assets of \$219,440 (31 December 2014 \$341,627). At 30 June 2015 the Company had \$37,002 in cash.

With the Company's current cash reserves, its ability to continue paying its debts as and when they fall due is dependent upon it continuing to secure additional debt/equity funding and the ultimate establishment of profitable operations. The Directors have provided ongoing support to the Company through the reduction and deferral of the payment of fees and expenses.

As set out in note 12, the Company has entered into conditional Heads of Agreement for the acquisition of Woolwich Capital Limited (Woolwich) and is planning to secure additional funding and have its securities re-instated by the ASX following completion of the acquisition of Woolwich. If the acquisition of Woolwich and reinstatement by the ASX of the Company's securities is not successful, then there is significant uncertainty whether the Company can continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts recognised in the financial report. In the event that the Company is unable to continue as a going concern, it may be required to realise all assets at amounts different from that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business and make provision for other costs which may arise as a result of cessation or curtailment of normal business procedures.

5. Loss for the Period

All significant revenue and expense items for the period are disclosed on the face of the Statement of Profit or Loss and Other Comprehensive Income.

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2015

6. Reconciliation of operating loss after income tax to net cash (outflow) from operating activities

| | 30 June 2015 | 30 June 2014 |
|--|-----------------|------------------|
| | \$ | \$ |
| Loss for the half-year | (5,304) | (205,189) |
| Add: Depreciation | - | - |
| Share based payment | - | 48,090 |
| Change in operating assets and liabilities | | |
| Decrease / (increase) in trade and other receivables | 8,950 | 48,950 |
| Increase / (decrease) in trade and other payables | (22,831) | (155,142) |
| Cash (outflow) from operating activities | <u>(19,185)</u> | <u>(263,291)</u> |

7. Share Capital

| | 30 June 2015 | 30 June 2015 | 31 Dec 2014 | 31 Dec 2014 |
|----------------------------|-------------------|------------------|-------------------|------------------|
| | No. | \$ | No. | \$ |
| Fully paid ordinary shares | <u>51,296,812</u> | <u>8,262,733</u> | <u>51,296,812</u> | <u>8,262,733</u> |

30 June 2015

No. \$

Issue of ordinary shares during the period

| | | |
|--|-------------------|------------------|
| Balance as at 1 January 2015 | 51,296,812 | 8,262,733 |
| New shares issued | - | - |
| Capital raising costs | - | - |
| Issued capital as at 30 June 2015 | <u>51,296,812</u> | <u>8,262,733</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number and amounts paid on the shares held. On show of hands every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

8. Share Options

As at 30 June 2015, 3,000,000 (2014: 3,000,000) options were on issue.

No options were exercised or lapsed during the half year.

9. Dividends

No dividend has been paid or proposed in respect of the current or previous half year.

10. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The adoption of AASB 8 has not resulted in any changes to the segments that are disclosed in the annual financial statements, as the segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker.

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2015

The Company engaged in one business activity, being investment management, and its results are analysed as a whole by the chief operating decision maker. Consequently revenues, losses and net assets for the operating segment are the amounts reflected in the half year report.

11. Subsequent Events

On 27 November 2015, the Company entered into a conditional Heads of Agreement (**HoA**) for the merger of the Company with Australian based financial services company Woolwich Capital Limited (**Woolwich**).

The consideration payable by Cape Range for the acquisition of Woolwich is 750,000,000 Cape Range shares. Cape Range will also issue a further 250,000,000 shares if Woolwich delivers for the Company an EBITDA of not less than \$500,000 in the financial year ended 31 December 2016 (**Milestone 1**). The transaction is subject to a number of conditions precedents, including due diligence and approval by Cape Range shareholders at a meeting to be held on 31 December 2015.

Woolwich is an Australian based specialist investment and management company that strategically invests in businesses with the aim to restructure, recapitalise and amalgamate to add value to all parties. Woolwich maintains the ability to co-invest and delivers investor returns by dealing in growth companies.

Completion of the acquisition of Woolwich by Cape Range is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) completion of legal and financial due diligence by Cape Range on Woolwich within the period of seven (7) days after the date of the HoA (or such other date as agreed by the parties in writing) and the results of that due diligence being satisfactory to Cape Range (in its sole and absolute discretion);
- (b) completion of legal and financial due diligence by Woolwich on Cape Range within the period of seven (7) days after the date of the HoA (or such other date as agreed by the parties in writing) and the results of that due diligence being satisfactory to Woolwich (in its sole and absolute discretion);
- (c) The relevant parties entering into a share sale and purchase agreement (**SSA**) in order to more fully document the binding terms of the acquisition of Woolwich shares by Cape Range, which shall be on terms acceptable to each of the parties (acting reasonably) and which are proposed to be consistent with the terms set out in the HoA;
- (d) the approval of the shareholders of Cape Range being obtained in general meeting for the performance of the transactions contemplated by the HoA and/or SSA in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001;
- (e) Cape Range complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares readmitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties;
- (f) Cape Range preparing and issuing a prospectus to raise a minimum of \$1,000,000 and up to a maximum of \$2,000,000 at an issue price of at least \$0.02 per Cape Range share with a minimum subscription of \$1,000,000 (**Prospectus**), lodging the Prospectus with the Australian Securities & Investments Commission and receiving applications to meet the minimum subscription;
- (g) Woolwich lending Cape Range not less than \$250,000 in clear funds within 7 days. The loan is for 6 months and is interest free;
- (h) ASX granting a waiver to allow the issue of the 250,000,000 shares in the event that Milestone 1 is achieved; and
- (i) Within 7 days, Woolwich raising not less than \$2,000,000 in equity capital.

On 30 November 2015, Mr Anthony Tascone resigned as a Director of the Company.

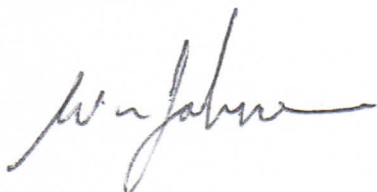
Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the six months ended on that date;
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*; and
 - (i) complying with International Financial Reporting Standards as disclosed in note 2 to the financial statements.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2015

On behalf of the Board



Wayne Johnson
Director

Date: 17th day of December 2015

CAPE RANGE LIMITED
ABN 43 009 289 481

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CAPE RANGE LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cape Range Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standards on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Cape Range Limited's financial position as at 30 June 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Cape Range Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half-year financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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CAPE RANGE LIMITED
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CAPE RANGE LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cape Range Limited is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 4 to the financial statements which indicates that the company incurred a net loss of \$5,304 for the half-year ended 30 June 2015 and as of that date the company's current liabilities exceeded its total assets by \$219,440. These conditions along with other matters as set forth in Note 4, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Hall Chadwick

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

G Webb

GRAHAM WEBB

Partner

Date: 17 December 2015

CAPE RANGE LIMITED
ABN 43 009 289 481

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2015 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

Nell Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Date: 17 December 2015

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