

SOIL SUB TECHNOLOGIES LIMITED
A.C.N. 078 388 155

Interim Report 31 December 2015

Soil Sub Technologies Limited

A.C.N. 078 388 155

Interim Report December 2015

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Corporate Directory

DIRECTORS

Mr Guy Le Page (Chairman)
Mr Azlan Asidin (Non-Executive Director)
Mr Keong Chan (Non-Executive Director)

COMPANY SECRETARY

Mr Keong Chan

REGISTERED OFFICE

Level 1, 143 Hay Street
Subiaco WA 6008
Telephone: (08) 6380 9200
Facsimile: (08) 6380 9299

AUDITORS

Bentleys
Level 3
216 St George's Terrace
Perth WA 6000
Telephone: (08) 9226 4500
Facsimile: (08) 9226 4300

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: SOI

SHARE REGISTRY

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

SOLICITORS

Steinpreis Paganin
Level 4, the Read Building
16 Milligan Street
Perth WA 6000
Telephone: (08) 9321 4000

Directors' Report

Your directors submit the financial report of the Company for the half-year ended 31 December 2015.

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

NAME OF PERSON	POSITION
Guy Le Page	Director
Azlan Asidin	Non-Executive Director
Keong Chan	Non-Executive Director
Keong Chan	Company Secretary

Results

The operating loss after income tax for the half year amounted to \$603,470 (31 December 2014: \$497,602).

Review of Operations

On 3 July 2015, the Company announced the expiration of the option to acquire Platinum JV Developments Sdn Bhd.

On 24 November 2015, the Company signed a Non-Binding Term Sheet with Pointerra Pty Ltd ("Pointerra") for the acquisition by the Company of 100% of the issued capital of Pointerra.

Pointerra is a Perth, Western Australia-based company, focused on building a powerful on-line solution to see the real world through massive 3D point clouds. Pointerra will commercialise its technology via Data as a Service ("DaaS") with both subscription and volume based revenue models. This will allow Pointerra to become a central marketplace for this ever-growing amount of data.

Industries including construction, surveying, utilities, natural resources and government increasingly rely on precise 3D models of the real world, initially captured as point clouds, to manage their businesses, assets and operations. These data sets are massive, unwieldy and underutilised, with the amount of data being collected growing exponentially.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.



Guy Le Page
Director

DATED this 29th day of February 2016

Auditor's Independence Declaration



Bentleys Audit & Corporate
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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Soil Sub Technologies Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully


BENTLEYS
Chartered Accountants


DOUG BELL CA
Director

Dated at Perth this 29th day of February 2016



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- Accountants
- Auditors
- Advisors

Condensed Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2015

	Note	31.12.2015	31.12.2014
		\$	\$
Revenue		1	77,988
Depreciation and amortisation expense		-	(35,605)
Directors fees		(66,000)	(105,215)
Accounting, audit and administration		(5,862)	(16,875)
Consulting and contracting expense		(37,558)	(49,500)
Compliance and regulatory		(44,511)	(68,620)
Research expense		-	(10,000)
Corporate administration fee		-	(263,590)
Other expenses		(26,507)	(24,773)
Interest expense		-	(1,412)
Impairment expense	4	(423,033)	-
Loss before income tax expense		(603,470)	(497,602)
Income tax expense		-	-
Net loss for the year		(603,470)	(497,602)
Other comprehensive income		-	-
Total comprehensive income		(603,470)	(497,602)
Basic loss per share (cents per share) (adjusted for share consolidation 87:1)		(2.59)	(2.31)

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Financial Position

as at 31 December 2015

	Note	31.12.2015 \$	30.6.2015 \$
CURRENT ASSETS			
Cash and cash equivalents		11,262	44,004
Trade and other receivables		15,813	4,101
TOTAL CURRENT ASSETS		27,075	48,105
NON CURRENT ASSETS			
Intangible assets	4	-	423,033
TOTAL NON-CURRENT ASSETS		-	423,033
TOTAL ASSETS		27,075	471,138
CURRENT LIABILITIES			
Trade and other payables	6	645,534	578,915
Short-term provisions		72,329	66,279
Financial liability	5	256,506	231,745
TOTAL CURRENT LIABILITIES		974,369	876,939
TOTAL LIABILITIES		974,369	876,939
NET ASSETS		(947,294)	(405,799)
EQUITY			
Issued capital	7	5,236,205	5,174,230
Option reserve		18,914	18,914
Accumulated losses		(6,202,413)	(5,598,943)
TOTAL EQUITY		(947,294)	(405,799)

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Changes in Equity

for the half-year ended 31 December 2015

	Issued Capital \$	Option Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2014	4,798,137	18,914	(3,160,996)	1,656,055
Loss for the year	-	-	(497,602)	(497,602)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(497,602)	(497,602)
<i>Transactions with owners directly in equity</i>				
Issue of Share Capital	428,980	-	-	428,980
Capital raising costs	(42,687)	-	-	(42,687)
BALANCE AT 31 December 2014	5,184,430	18,914	(3,658,598)	1,544,746
BALANCE AT 1 JULY 2015	5,174,230	18,914	(5,598,943)	(405,799)
Loss for the year	-	-	(603,470)	(603,470)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(603,470)	(603,470)
<i>Transactions with owners directly in equity</i>				
Issue of Share Capital	90,000	-	-	90,000
Capital raising costs	(28,025)	-	-	(28,025)
BALANCE AT 31 December 2015	5,236,205	18,914	(6,202,413)	(947,294)

The accompanying notes form part of these condensed financial accounts

Condensed Statement of Cash Flows

for the half-year ended 31 December 2015

	31.12.2015 \$	31.12.2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(114,719)	(82,975)
Interest received	1	-
Net Cash Used In Operating Activities	(114,718)	(82,975)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance made to Platinum JV Development Sdn Bhd	-	(15,000)
Net Cash Used In Investing Activities	-	(15,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	90,000	-
Proceeds from the issue of convertible notes	20,000	11,912
Payment of share issue costs	(28,024)	(8,308)
Net Cash Provided By Financing Activities	81,976	3,604
Net increase in cash held	(32,742)	(94,371)
Cash and Cash Equivalents at beginning of the period	44,004	95,968
Cash and Cash Equivalents at end of the period	11,262	1,597

The accompanying notes form part of these financial accounts

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2015

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. 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 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 2015 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Company include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australia Groups with a Foreign Parent'

The above standards have extensive disclosure requirements, however these do not effect this half year financial report, other than as disclosed in note 10 financial instruments.

The adoption of the above standards has not had a material impact on this half year financial report.

Going Concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company incurred a loss for the half year ended 31 December 2015 \$603,470 (2014: \$497,602) including impairment losses of \$423,033 (2014: nil) and as at that date had a working capital deficit of \$974,294 (30 June 2015: \$828,834). Included in the current liabilities are \$537,180 of payables owed to related parties of which it has been agreed that \$283,000 will be converted to equity subsequent to period end.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. The Directors believe it is appropriate to prepare these financial statements on a going concern basis because of the following:

- Subsequent to year end the Company has raised \$240,000 via the issue of convertible notes;
- The Company is in the advanced stages of preparing a re-compliance prospectus to raise a minimum of \$3,600,000 (maximum \$4,000,000) before costs and proceed with the acquisition of 100% of the issued capital of Pointerra Pty Ltd ("Pointerra"). The capital raised under the prospectus will be used to support the delivery of Pointerra's commercialisation and working capital purposes;
- The Company's directors have resolved that certain related party consulting and directors fees will not be paid or accrued for from 1 July 2015 until otherwise resolved; and
- RM Corporate Finance Pty Ltd (a company associated with Mr Guy Le Page) has signed a letter of support confirming that it will continue to provide financial support to the Company and if required underwrite reasonable operating expenses for the Company over the next 12 months.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2015 (continued)

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this half year financial report. The ability of the Company to continue as a going concern is principally dependent upon successfully raising capital discussed above.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital from existing shareholders and the anticipated interest from the proposed Pointerra transaction, the Directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unsuccessful in the above endeavours and are unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

a) Comparatives

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

NOTE 2. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 31 December 2015, the company has raised \$240,000 via the issue of convertible notes.

NOTE 3. OPERATING SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the directors'.

The Company is currently operative in one geographic region being Australia. The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

NOTE 4. INTANGIBLES

	31.12.15	30.6.15
	\$	\$
Capitalised development, patents and licences at cost	707,906	707,906
Accumulated amortisation and impairment	(707,906)	(284,873)
	-	423,033

The company is in the advanced stages of preparing a re-compliance prospectus surrounding the proposed acquisition of Pointerra Pty Ltd a company with an online solution for the visualisation and processing of massive 3D point cloud datasets. As a result, the Company is not expecting to further develop its Nutrimix technology, and an impairment loss of \$423,033 has been booked on the asset.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2015 (continued)

NOTE 5. FINANCIAL LIABILITY

	31.12.15	30.6.15
	\$	\$
Convertible notes	240,000	220,000
Interest payable	16,506	11,745
	<u>256,506</u>	<u>231,745</u>

During the period, the Company raised \$20,000 via the issue of convertible notes and the convertible notes remains unconverted. The interest expense is calculated by applying an effective interest rate of 4% to the liability component since the loan notes were issued.

NOTE 6. TRADE AND OTHER PAYABLES

	31.12.15	30.6.15
	\$	\$
CURRENT		
<i>Unsecured Liabilities:</i>		
Trade Payables	87,839	12,734
Sundry creditors and accrued expense	557,695	566,180
	<u>645,534</u>	<u>578,915</u>

Included in the above are payables to related parties of \$537,180 (30 June 2015: \$548,300).

NOTE 7. ISSUED CAPITAL

	31.12.15	30.6.15
	\$	\$
24,092,127 (June 2015: 1,983,579,687) Fully paid ordinary shares with no par value	5,835,080	5,745,080
Less: Capital Raising Fees	(598,875)	(570,851)
Net Issued Capital	<u>5,236,205</u>	<u>5,174,230</u>

(a) Movement in Ordinary shares on issue:

	31.12.15	30.6.15
	#	#
At the beginning of the reporting period	1,983,579,687	1,769,194,425
Shares issued during the period		
– 18 August 2014	-	117,047,222
– 28 October 2014	-	18,726,929
– 28 November 2014	-	61,111,111
– 5 December 2014	-	17,500,000
– 23 October 2015	112,500,000	-
– 15 December 2015 consolidation of capital (1:87)	(2,071,987,560)	
At reporting date	<u>24,092,127</u>	<u>1,983,579,687</u>

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2015 (continued)

NOTE 8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of trade and other receivables, trade and other payables, loan receivables and convertible notes. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

NOTE 9. CONTINGENT LIABILITIES AND ASSETS

There are no contingent assets and liabilities as at the balance date.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 11, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2015 and of the performance for the half-year ended on that date.
2. In the directors' opinion 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 is made in accordance with a resolution of the Board of Directors.



Guy Le Page
Director

DATED at PERTH this 29th day of February 2016



Bentleys Audit & Corporate
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Independent Auditor's Review Report

To the Members of Soil Sub Technologies Limited

We have reviewed the accompanying half-year financial report of Soil Sub Technologies Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 Auditing Standard 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 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 the Company ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

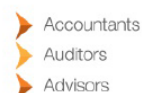
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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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Accountants
Auditors
Advisors

Independent Auditor's Review Report

To the Members of Soil Sub Technologies Limited (Continued)



Basis for Qualified Auditor's Conclusion

Opening Balances – Intangible Assets

As disclosed in note 4 to the financial statements, the Company had recorded intangible assets related to Licences and Patents with a carrying value of \$423,033 as at 30 June 2015 which related to the Company's Nutrimix products. We were unable to obtain sufficient evidence to support the Company's assessment of the carrying value of these assets as at 30 June 2015 and consequently our audit report for the year ended 30 June 2015 was qualified. During the half year ended 31 December 2015, the intangible assets were fully impaired. Consequently the comparative statement of profit or loss and other comprehensive income for the half year ended 31 December 2014 and the comparative statement of financial position as at 30 June 2015 are qualified.

Opening Balances – Loan Receivable

The Company had recorded a loan receivable with a carrying value of \$1,619,651 as at 31 December 2014 which related to funds lent to Platinum JV Development Sdn Bhd. We were unable to obtain sufficient appropriate evidence on the financial position as at 31 December 2014 and financial performance for the half year ended 31 December 2014 of Platinum JV Development Sdn Bhd to assess the recoverability of the loan receivable and consequently our review report for the half year ended 31 December 2014 was qualified. Subsequently during the year ended 30 June 2015, this loan was fully impaired. Consequently, the comparative statement of profit or loss and other comprehensive income for the half year ended 31 December 2014 is qualified.

Qualified Conclusion

Except for the effects of the matters described in the Basis for Qualified Auditor's Conclusion paragraph, 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 Soil Sub Technologies 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 31 December 2015 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$603,470 during the half-year ended 31 December 2015. This condition, along with other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.


BENTLEYS
Chartered Accountants


DOUG BELL CA
Director

Dated at Perth this 29th day of February 2016