

# **SelfWealth Limited**

**ABN 521 154 324 428**

**Annual Report - 30 June 2017**

**SelfWealth Limited**  
**Directors' report**  
**30 June 2017**

The directors present their report, together with the financial statements, of SelfWealth Limited ("SelfWealth" or "the Company") for the year ended 30 June 2017.

**Directors**

The following persons were directors of SelfWealth Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Bruce Ward  
Ronald Lesh  
John Gaffney (Appointed 10 May 2017)  
Tony Lally (Appointed Chairman 26 July 2017)

Nigel Finch (Appointed 3 March 2017, Resigned 10 May 2017)  
Peter John Jones (Resigned 3 March 2017)  
Dean Price (Resigned 1 October 2016)

**Principal activities**

SelfWealth's principal activities include provision of Australia's only online flat fee share trading service and online investor community portal service.

SelfWealth originated from the belief that Australia's current investment model is flawed, especially the fee structure, with Financial planners, Fund Managers and Administration platforms each demanding a share of fees from the investor. SelfWealth believe higher fees/commissions charged on larger size investments is a legacy of the Australian Financial system and brokerage fee should be charged on a flat fee basis at reduced market rates; not the current industry percentage based model.

SelfWealth has created a unique solution which empowers self-directed investors. For the first time in Australia, investors can now access an online tool, which compares their portfolio's performance against those of peers, professionals and the market for one low flat monthly subscription.

Members of the SelfWealth community can make investment decisions based on collective intelligence not opinion. They can see how people like them are investing and what returns they are achieving. Once comfortable, members can rebalance in-line with their goals.

**Review of operations**

The loss for the Company after providing for income tax amounted to \$3,227,916 (30 June 2016: \$2,515,892).

During the financial year, SelfWealth continued to research and develop its online investment solution targeting self-directed investors with a focus on design and user experience. SelfWealth also developed and launched a trading solution and continues on-boarding of BGL customers following the integration with BGL's Simple Fund 360. This partnership allows users of BGL's Simple Fund 360 software to access all the functionality, trading and social networking elements of the SelfWealth solution.

No other significant changes in the nature of the Company's activity occurred during the financial year.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Company during the financial year.

**Matters subsequent to the end of the financial year**

Subsequent to reporting date, SelfWealth:

- signed an agreement with Leveraged Equities Limited to provide its members with access to margin lending facilities;
- signed a new supply agreement which will provide a more cost-effective execution, clearing and settlement service for investor trades;
- appointed Tony Lally as Chairman. Tony, is qualified actuary and former Olympic athlete. He holds relevant industry experience having been CEO of Sunsuper for a period of 6 years and has broad listed Company and Pension Fund Board experience; and
- is continuing to explore its opportunities to raise additional capital to support the ongoing growth of the Company.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

**Environmental regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

Name:	Andrew Bruce Ward
Title:	Managing Director
Qualifications:	Bachelor of Economics and a Diploma in Financial Services (Financial Planning).
Experience and expertise:	Andrew joined the financial services industry 22 years ago, initially with Colonial First State, RetireInvest and then AMP in Sydney. In the late 1990's Andrew joined a US based, funds management consulting firm, where he was based in South East Asia helping restructure fund managers' portfolios. Andrew returned to Australia to work with St George Bank in Melbourne, gaining exposure to the administration platform environment before joining the Austock Group as National Sales Manager. Andrew was later appointed as Executive Manager for Commonwealth Private leading a team of private bankers and private wealth managers in the disciplines of financial planning, insurance and stock broking.

Name:	Ronald Lesh
Title:	Non Executive Director
Qualifications:	Bachelor of Business, Graduate Diploma of Information Technology and Member of the Institute of Chartered Accountants Australia.
Experience and expertise:	Ronald is currently Managing Director of BGL Corporate Solutions (BGL). BGL has grown to be one of the largest suppliers in the world of compliance software for corporate secretarial and superannuation fund management. In 1989, Ronald left full time professional accounting to join BGL Corporate Solutions and in 1991 became Managing Director. Ronald is a Registered Tax Agent and Company Auditor and has extensive experience in Corporations Law, Taxation and Superannuation matters. Ronald is a past member of the Australian Securities and Investments Commission Business Advisory Committee.



**SelfWealth Limited**  
**Directors' report**  
**30 June 2017**

Name: John Gaffney  
Title: Non Executive Director  
Qualifications: Masters of Law, Victorian Bar – signed Roll of Counsel, and Graduate Australian Institute of Company Directors.  
Experience and expertise: John is a senior lawyer with a focus on public company board compliance and governance. He is presently a non-executive director of Paradigm Biopharmaceuticals Limited (ASX listed company). From 2010 to 2016 John was a member of the Australian Financial Ombudsman Service. He was also member of the Victorian Bar practising in commercial litigation.

Name: Tony Lally  
Title: Chairman  
Qualifications: Fellow of the Institute of Actuaries in the United Kingdom and Australia and Graduate of the Australian Institute of Company Directors  
Experience and expertise: Tony Lally is a qualified actuary as well as an experienced Senior Executive, Non-Executive Director and Chair. He has deep and broad experience as a Non-Executive Director and Chair. His experience covers the disciplines of governance, strategy development, risk management and change, both operational and cultural. His extensive investment expertise covers investment governance, investment strategy and management. He has also extensive experience in M&A, and has been deeply involved in and responsible for a number of transformational M&A transactions.

**Unissued shares under option**

As at the date of this report, SelfWealth Limited has 4,262,500 unissued ordinary shares under option. The details of these options are as follows:

Date Options Granted	Number of Shares under Option	Expiry Date	Exercise Price of Shares
Granted November 2014	1,400,000	November 2017	\$0.15
Granted December 2014	75,000	November 2017	\$0.18
Granted August 2015	62,500	August 2017	\$0.18
Granted August 2015	62,500	August 2018	\$0.18
Granted December 2015	300,000	December 2017	\$0.18
Granted December 2015	300,000	December 2018	\$0.18
Granted February 2016	75,000	February 2018	\$0.18
Granted February 2016	75,000	February 2019	\$0.18
Granted April 2016	100,000	April 2018	\$0.18
Granted April 2016	100,000	April 2019	\$0.18
Granted June 2016	132,500	June 2018	\$0.18
Granted June 2016	132,500	June 2019	\$0.18
Granted December 2016	150,000	December 2018	\$0.11
Granted December 2016	150,000	December 2019	\$0.11
Granted February 2017	525,000	February 2019	\$0.11
Granted February 2017	525,000	February 2020	\$0.11
Granted March 2017	48,750	March 2019	\$0.11
Granted March 2017	48,750	March 2020	\$0.11

**Company secretary**

Andrew Bruce Ward held the role of Company Secretary until 10 April 2017.  
Mark Alan Lawrence has held the role of Company Secretary since 10 April 2017.

**SelfWealth Limited**  
**Directors' report**  
**30 June 2017**

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Attended	Held
Andrew Bruce Ward	9	9
Ronald Lesh	9	9
Peter John Jones	7	7
Dean Price	3	3
Nigel Finch	2	2
John Gaffney	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Indemnity and insurance of officers**

The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

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

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**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.

**Auditor's independence declaration**


A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

**Auditor**

Crowe Horwath continues in office in accordance with section 327 of the Corporations Act 2001.

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

  
\_\_\_\_\_  
Andrew Ward  
Director

9 August 2017

# Auditor Independence Declaration Under S307C of the *Corporations Act 2001* to the Directors of SelfWealth Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

- 1) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.



**CROWE HORWATH MELBOURNE**



**DAVID MUNDAY**  
Partner

**Melbourne Victoria**  
**9 August 2017**



**SelfWealth Limited**  
**Contents**  
**30 June 2017**

**Contents**

Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	27
Independent auditor's report to the members of SelfWealth Limited	28

**General information**

SelfWealth Limited is an unlisted public company limited by shares.

**SelfWealth Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2017**

	<b>Note</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
<b>Revenue</b>	3	1,706,541	850,838
<b>Expenses</b>			
Employee benefits expense		(1,946,441)	(2,095,460)
Depreciation and amortisation expense		(22,846)	(105,955)
IT costs		(511,529)	(397,053)
Consulting fees		(148,904)	(210,545)
Advertising and promotional expenses		(600,176)	(173,910)
Rent expense		(88,306)	(79,944)
Insurance expense		(34,481)	(28,916)
Accounting and legal expenses		(148,307)	(49,992)
Finance costs		(40,358)	(69,882)
Impairment loss		(1,224,204)	-
Other expenses	4	(168,905)	(155,073)
<b>Loss before income tax expense</b>		(3,227,916)	(2,515,892)
Income tax expense	5	-	-
<b>Loss after income tax expense for the year attributable to the owners of SelfWealth Limited</b>		(3,227,916)	(2,515,892)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of SelfWealth Limited</b>		<u>(3,227,916)</u>	<u>(2,515,892)</u>

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



**SelfWealth Limited**  
**Statement of Financial Position**  
**As at 30 June 2017**

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,743,286	398,793
Trade and other receivables	7	893,414	126,754
Prepayments		49,145	47,564
Total current assets		<u>2,685,845</u>	<u>573,111</u>
<b>Non-current assets</b>			
Plant and equipment	9	39,428	55,750
Intangibles	10	-	1,216,589
Total non-current assets		<u>39,428</u>	<u>1,272,339</u>
<b>Total assets</b>		<u>2,725,273</u>	<u>1,845,450</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	387,894	153,773
Deferred revenue – prepaid trades		24,261	-
Receivables finance facility	12	569,790	-
Employee provisions	13	91,897	82,735
Total current liabilities		<u>1,073,842</u>	<u>236,508</u>
<b>Non-current liabilities</b>			
Employee provisions	13	44,450	-
Total non-current liabilities		<u>44,450</u>	<u>-</u>
<b>Total liabilities</b>		<u>1,118,292</u>	<u>236,508</u>
<b>Net assets</b>		<u>1,606,981</u>	<u>1,608,942</u>
<b>Equity</b>			
Issued capital	14	11,339,211	8,119,555
Accumulated losses		(9,852,347)	(6,624,431)
Reserves	15	120,117	113,818
<b>Total equity</b>		<u>1,606,981</u>	<u>1,608,942</u>

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

**SelfWealth Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2017**

	<b>Issued capital</b>	<b>Accumulated losses</b>	<b>Employee Benefits Reserve</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2015	5,263,804	(4,108,539)	49,280	1,204,545
Capital raised during the year	3,076,004	-	-	3,076,004
Less: Equity raising costs	(220,253)	-	-	(220,253)
Share based payments	-	-	64,538	64,538
Loss after income tax expense for the year	-	(2,515,892)	-	(2,515,892)
Balance at 30 June 2016	<u>8,119,555</u>	<u>(6,624,431)</u>	<u>113,818</u>	<u>1,608,942</u>

	<b>Issued capital</b>	<b>Accumulated losses</b>	<b>Employee Benefits Reserve</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2016	8,119,555	(6,624,431)	113,818	1,608,942
Capital raised during the year	3,329,601	-	-	3,329,601
Less: Equity raising costs	(109,945)	-	-	(109,945)
Share based payments	-	-	6,299	6,299
Loss after income tax expense for the year	-	(3,227,916)	-	(3,227,916)
Balance at 30 June 2017	<u>11,339,211</u>	<u>(9,852,347)</u>	<u>120,117</u>	<u>1,606,981</u>

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

**SelfWealth Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(3,457,958)	(3,625,345)
Interest received		50,383	29,351
Receipts from customers		118,636	92,097
Research and development tax credit received		858,125	1,022,024
Net cash outflow from operating activities	16(b)	(2,430,814)	(2,481,873)
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(1,829)	(40,534)
Net payments for intangible assets		(12,310)	(34,252)
Proceeds from disposal of financial assets		-	50,000
Net cash outflow from investing activities	16(b)	(14,139)	(24,786)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		3,329,601	3,076,004
Share issue transaction costs		(109,945)	(220,253)
Proceeds from borrowings		569,790	-
Repayment of borrowings		-	(595,775)
Net cash provided by financing activities		3,789,446	2,259,976
Net increase/(decrease) in cash and cash equivalents		1,344,493	(246,683)
Cash and cash equivalents at the beginning of the financial year		398,793	645,476
Cash and cash equivalents at the end of the financial year	6	1,743,286	398,793

*The above statement of cash flows should be read in conjunction with the accompanying notes*



**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

The financial report covers SelfWealth Limited as an individual entity. SelfWealth is a for profit company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of SelfWealth Limited is Australian dollars.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 August 2017. The directors have the power to amend and reissue the financial statements.

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

The following Accounting Standards and Interpretations are most relevant to the Company:

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 1057 Application of Australian Accounting Standards

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the measurement at fair value certain classes of property, plant and equipment, financial assets and liabilities.



**Note 1. Significant accounting policies (continued)**

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Going Concern**

During the financial year ended 30 June 2017 SelfWealth had an operating loss of \$3,227,916 and negative cash flow from operations of \$2,430,814. In addition, the Company is reliant on external sources of funding to meet its working capital requirements until its product offerings start generating significant revenues.

SelfWealth is looking to raise capital in FY18 to support the company in meeting their working capital requirements so it can further continue to develop and market the SelfWealth Platform. The Directors are confident about their ability to raise additional capital as evidenced by a strong history of successful capital raising of \$3.3m during the financial year ended 30 June 2017 and \$3.1m during the previous financial year.

SelfWealth launched their SelfWealth Trading product offering during the financial year and the Directors expect that the cash flows from these products will produce revenue which will sustain the operations of SelfWealth on an ongoing basis.

The Directors have therefore prepared the financial report on a going concern basis.

In the event that SelfWealth is not able to raise further capital to support its ongoing operations or their products do not generate sufficient revenues, there is material uncertainty as to whether it will be able to continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

**Revenue recognition**

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

Interest 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.

Research and Development tax incentive grants from the Australian Taxation Office are recognised in profit or loss in the period in which the expected amount of the incentive can be reliably measured and receipt of the grant is determined to be probable.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



**Note 1. Significant accounting policies (continued)**

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. 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 entity's which intend to settle simultaneously.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

SelfWealth's trade and other receivables fall into this category of financial instruments.

**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 plant and equipment over their expected useful lives as follows:

Plant and equipment	3-7 years
---------------------	-----------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.



**Note 1. Significant accounting policies (continued)**

**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 ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

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.

**Intangible assets**

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 any 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 or useful life are accounted for prospectively by changing the amortisation method or period.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

*Patents*

Significant costs associated with patents are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

*Trademarks and intellectual property*

Trademarks and intellectual property are not amortised as they have an indefinite life. Instead, trademarks and intellectual property are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

*Domain Name*

The costs of acquiring domain names are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2-3 years.

*Source Code*

Source code is not amortised as it has an indefinite life. Instead, source code is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

The Company's intangible assets have been impaired down to their recoverable amount of nil as at 30 June 2017. Refer to Note 9 for details.



**Note 1. Significant accounting policies (continued)**

**Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the 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. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**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.



**Note 1. Significant accounting policies (continued)**

**Share based payments**

Equity-settled share-based payments to employees and Directors are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 22.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee benefits reserve.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) *Intangible Assets*

Included in the Statement of Financial Position as at 30 June 2017 are Intangible Assets. The carrying value of this asset and any potential impairment are considered as one Cash Generating Unit (CGU). Refer to Note 9 for further information. The directors have recognised an impairment on the intangible assets during the year ending 30 June 2017 due to the carrying value of these assets exceeding the recoverable amount.

(ii) *Estimation of useful lives of intangible assets*

The company determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or assets that have been abandoned or sold will be written off or written down.

**Note 3. Revenue**

	2017 \$	2016 \$
Interest income	50,383	29,351
Membership fees	6,970	92,097
Trading income	78,825	-
Research & Development incentive income	1,570,363	729,390
	<u>1,706,541</u>	<u>850,838</u>



**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 4. Other Expenses**

	2017 \$	2016 \$
<i>Other expenses</i>		
Travel and accommodation	110,703	103,149
Sundry expenses	58,202	51,924
	<u>168,905</u>	<u>155,073</u>

**Note 5. Income tax benefit**

	2017 \$	2016 \$
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax – origination and reversal of temporary differences	-	-
Aggregate income tax expense	<u>-</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(3,227,916)</u>	<u>(2,515,892)</u>
Tax at the statutory tax rate of 30% (2016: 30%)	(968,375)	(754,768)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research & Development incentive income	(471,109)	(218,817)
Entertainment expenses	404	101
Legal expense	53,233	-
Fines and Penalties	-	23
Expenditure subject to R&D refund	491,198	572,083
Impairment expense	367,261	-
Less tax effect of taxable deductions:		
Section 40-880 deduction	(31,823)	(18,132)
	<u>(559,211)</u>	<u>(419,510)</u>
Current year deferred taxes not recognised	559,211	419,510
Income tax expense	<u>-</u>	<u>-</u>

**Note 6. Cash and cash equivalents**

	2017 \$	2016 \$
Cash at bank	1,743,286	398,793
	<u>1,746,286</u>	<u>398,793</u>

**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 7. Trade and other receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Research & Development incentive receivable	712,238	-
GST Receivable	84,826	37,045
Related party receivables	8,585	8,621
Other receivables	87,765	81,088
	<u>893,414</u>	<u>126,754</u>

**Note 8. Plant and equipment**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	77,886	76,057
Less: Accumulated depreciation	(38,458)	(20,307)
Total plant and equipment	<u>39,428</u>	<u>55,750</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July	55,750	23,988
Additions	1,829	40,534
Depreciation expense	(18,151)	(8,772)
Balance at 30 June	<u>39,428</u>	<u>55,750</u>

**Note 9. Intangibles**

	2017 \$	2016 \$
Intellectual property – at cost	533,138	533,138
Less: Accumulated impairment	(533,138)	-
	<u>-</u>	<u>533,138</u>
Development Expenditure - at cost	362,314	362,314
Less: Accumulated amortisation	(271,311)	(271,311)
Less: Accumulated impairment	(91,003)	-
	<u>-</u>	<u>91,003</u>
Patents - at cost	38,069	36,900
Less: Accumulated amortisation	(938)	(938)
Less: Accumulated impairment	(37,131)	-
	<u>-</u>	<u>35,962</u>
Trademarks – at cost	62,932	51,363
Less: Accumulated impairment	(62,932)	-
	<u>-</u>	<u>51,363</u>
Domain Name – at cost	24,734	25,162
Less: Accumulated amortisation	(24,734)	(20,039)
	<u>-</u>	<u>5,123</u>
Source Code - at cost	500,000	500,000
Less: Accumulated impairment	(500,000)	-
	<u>-</u>	<u>500,000</u>
	<u>-</u>	<u>1,216,589</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Intellectual property \$	Development Expenditure \$	Patents \$	Trademarks \$	Domain name \$	Source code \$	Total \$
Balance at 1 July 2016	533,138	91,003	35,962	51,363	5,123	500,000	1,216,589
Additions	-	-	1,169	11,569	-	-	12,738
Disposals	-	-	-	-	(428)	-	(428)
Impairment of assets	(533,138)	(91,003)	(37,131)	(62,932)	-	(500,000)	(1,224,204)
Amortisation expense	-	-	-	-	(4,695)	-	(4,695)
Balance at 30 June 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Impairment disclosures**

The entire class of Intangible Assets are considered as one Cash Generating Unit. The recoverable amount of the cash generating unit has been determined by management as \$0 and an impairment of \$1,224,204 has been recognised for the year ending 30 June 2017.



**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 10. Trade and other payables**

	2017 \$	2016 \$
Trade payables	213,572	88,073
Accrued expenses	174,322	65,700
	<u>387,894</u>	<u>153,773</u>

**Note 12. Receivables financing**

	2017 \$	2016 \$
Receivables Financing – FIFO Capital	569,790	-
	<u>569,790</u>	<u>-</u>

**Note 13. Employee provisions**

	2017 \$	2016 \$
<b>Current</b>		
Provision for annual leave	91,897	82,735
<b>Non-current</b>		
Provision for long service leave	44,450	-
Total employee provisions	<u>136,347</u>	<u>82,735</u>

**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 14. Equity - issued capital**

	<b>2017 Shares</b>	<b>2016 Shares</b>	<b>2017 \$</b>	<b>2016 \$</b>
Ordinary shares - fully paid	<u>137,467,341</u>	<u>107,198,245</u>	<u>11,339,211</u>	<u>8,119,555</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>No of shares</b>	<b>\$</b>
Balance 1 July 2015	90,064,889	5,263,804
Share issue at 10 cents per share	100,000	10,000
Share issue at 18 cents per share	17,033,356	3,066,004
Share issue transaction costs	-	(220,253)
Balance 30 June 2016	107,198,245	8,119,555
Share issue at 11 cents per share	30,269,096	3,329,601
Share issue transaction costs	-	(109,945)
Balance 30 June 2017	<u>137,467,341</u>	<u>11,339,211</u>

*2017 Shares Issued*

Shares issued at 11 cents during the financial year were issued in 3 tranches between November 2016 and February 2017.

*2016 Shares Issued*

Shares issued at 10 cents during the financial year were issued in 1 tranche in October 2015.

Shares issued at 18 cents during the financial year were issued in 4 tranches between July 2015 and February 2016.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Note 15. Employee benefits reserve**

	<b>2017 \$</b>	<b>2016 \$</b>
Balance at the beginning of the year	113,818	49,280
Share based payments	6,299	64,538
Balance at end of year	<u>120,117</u>	<u>113,818</u>

The above employee benefits reserve relates to share options granted by the Company to its employees and Directors under its employee share option plan and director share option plan. Items included in the employee benefit reserve will not be reclassified subsequently to profit or loss.

**Note 16. Cash Flow Information**

**(a) Reconciliation of cash**

	2017	2016
	\$	\$
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	1,743,286	398,793

**(b) Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net loss to net cash used in operating activities:		
Loss for the year after income tax benefit	(3,227,916)	(2,515,892)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in loss:		
- Depreciation and amortisation	22,846	105,955
- Impairment loss	1,224,204	-
- Share based payments expense	6,299	64,538
Changes in assets and liabilities,		
- (increase)/decrease in receivables	(54,422)	(69,007)
- (increase)/decrease in research and development tax incentive receivable	(712,238)	292,634
- (increase)/decrease in prepayments	(1,581)	(47,564)
- increase/(decrease) in trade creditors	234,121	(87,853)
- increase/(decrease) in deferred revenue	24,261	-
- increase/(decrease) in provisions	53,612	(224,684)
Cashflow used in operations	<u>(2,430,814)</u>	<u>(2,481,873)</u>

**Note 17. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2017	2016
	\$	\$
Aggregate compensation	<u>679,526</u>	<u>847,950</u>

**Note 18. Auditor remuneration**

During the financial year the following fees were paid or payable for services provided by Crowe Horwath, the auditor of the Company:

	2017	2016
	\$	\$
Audit of the financial statements	18,000	17,400
Half year review procedures	6,000	-
Investigating accountants report	2,500	-
	<u>26,500</u>	<u>17,400</u>



**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 19. Contingent liabilities**

The company had no contingent liabilities as at 30 June 2017 and 30 June 2016.

**Note 20. Commitments**

	2017 \$	2016 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	96,582	97,137
One to five years	40,898	137,480
	<u>137,480</u>	<u>234,617</u>
<i>Service Agreement Commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	145,831	375,097
One to five years	-	145,831
	<u>145,831</u>	<u>520,928</u>

Operating lease commitments include contracted amounts for office rental. Service agreement commitments relate to SelfWealth's managed investment scheme platform provider. The above amounts relate to the minimum contract period of these arrangements and incorporate fee increases throughout the term where applicable.

**Note 21. Related party transactions**

*Transactions with related parties*

SelfWealth has a distribution agreement with BGL Corporate Solutions ("BGL"), Ronald Lesh (Director) is a Director of BGL. This distribution agreement has resulted in \$4,634 of subscription fee revenue for SelfWealth during the year ending 30 June 2017 (2016: \$90,173).

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17.

*Receivables from / Payables to related parties*

The following balances are outstanding at the reporting date:

	2017 \$	2016 \$
Receivable from Andrew Ward (Managing Director)	8,585	8,621
	<u>8,585</u>	<u>8,621</u>

Loans with related parties are not charged interest and there are no fixed repayments therefore are not on normal commercial terms and conditions.

**Note 22. Share based payments**

In the 2013 and 2014 financial years, the Company established the Employee Share Option Plan and the Director Share Option Plan ("the Plans").

The Plans were established to retain and motivate eligible persons whose present and potential contributions are important to the success of the Company by offering them an opportunity to participate in the Company's future performance through the awarding of share options. The options are issued for nil consideration and eligible persons are the employees and directors of the Company as approved by the Board of Directors.

Vesting of the share options awarded takes place over a 3 year period, with 50% of the options vesting after two years and the rest vesting after 3 years. Exercise of the options (except for Director share options) is conditional upon the eligible

**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

persons remaining employed by the Company until the vesting date.

On exercise, each share option entitles the eligible person holding that option to one ordinary share in the Company, ranking equally with all other shares. The exercise price of an option will be determined by the Board of Directors and set out in the Option Agreement.

The maximum number of share options to be issued to eligible persons per annum is 2% of the total number of shares on issue.

The following share-based payment arrangements were in existence at balance date:

Options Series	Number of Options	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Granted November 2014	1,400,000	November 2014	November 2017	\$0.15	\$0.05
Granted December 2014	75,000	December 2014	November 2017	\$0.18	\$0.06
Granted August 2015	62,500	August 2015	August 2017	\$0.18	\$0.04
Granted August 2015	62,500	August 2015	August 2018	\$0.18	\$0.05
Granted December 2015	300,000	December 2015	December 2017	\$0.18	\$0.04
Granted December 2015	300,000	December 2015	December 2018	\$0.18	\$0.05
Granted February 2016	75,000	February 2016	February 2018	\$0.18	\$0.04
Granted February 2016	75,000	February 2016	February 2019	\$0.18	\$0.05
Granted April 2016	100,000	April 2016	April 2018	\$0.18	\$0.04
Granted April 2016	100,000	April 2016	April 2019	\$0.18	\$0.05
Granted June 2016	132,500	June 2016	June 2018	\$0.18	\$0.04
Granted June 2016	132,500	June 2016	June 2019	\$0.18	\$0.05
Granted December 2016	150,000	December 2016	December 2018	\$0.11	\$0.03
Granted December 2016	150,000	December 2016	December 2019	\$0.11	\$0.03
Granted February 2017	525,000	February 2017	February 2019	\$0.11	\$0.03
Granted February 2017	525,000	February 2017	February 2020	\$0.11	\$0.03
Granted March 2017	48,750	March 2017	March 2019	\$0.11	\$0.03
Granted March 2017	48,750	March 2017	March 2020	\$0.11	\$0.03
	<b>4,262,500</b>				

The following table reconciles the outstanding share options granted under the Plans at the beginning and end of the financial year:

	2017 Number of Options	Weighted Average Exercise Price \$	2016 Number of Options	Weighted Average Exercise Price \$
Balance at the beginning of year	4,290,000	0.17	3,350,000	0.15
Granted during the year	1,447,500	0.11	1,540,000	0.18
Forfeited during the year	-	-	(500,000)	0.15
Exercised during the year	-	-	(100,000)	0.10
Expired during the year	(1,475,000)	0.15	-	-
Balance at end of year	4,262,500	0.15	4,290,000	0.17
Exercisable at end of year	-	-	-	-

For the options granted during the current financial year, the Black Scholes Option Pricing Model has been used to determine the fair value at the grant date.



**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

The key model inputs for options granted in November 2014 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 14 November 2014
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 2.55% and 2.62%
- (e) The expected price volatility of the Company's shares is 50%

The key model inputs for options granted in December 2014 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 16 December 2014
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 2.26% and 2.29%
- (e) The expected price volatility of the Company's shares is 50%

The key model inputs for options granted in August 2015 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 24 August 2015
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.75% and 1.71%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in December 2015 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 15 December 2015
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 2.07% and 2.11%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in February 2016 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 3 February 2017
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.81% and 1.80%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in April 2016 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 1 April 2016
- (c) The expected dividend yield is 0%
- (d) The risk free rate was 1.94%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in June 2016 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 30 June 2016
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.59% and 1.55%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in December 2016 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 7 December 2016

**SelfWealth Limited**  
**Notes to the financial statements**  
**30 June 2017**

- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.77% and 1.90%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in February 2017 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant dates were 1 February, 23 February and 24 February 2017
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.78% and 1.97%
- (e) The expected price volatility of the Company's shares is 40%

The key model inputs for options granted in March 2017 include:

- (a) Options are granted for no consideration, will vest over a three year period, with 50% vesting after 2 years and the rest vesting after 3 years
- (b) The grant date was 2 March 2017
- (c) The expected dividend yield is 0%
- (d) The risk free rate varied between 1.81% and 1.97%
- (e) The expected price volatility of the Company's shares is 40%

**Note 23. Events after the reporting period**

Subsequent to reporting date, SelfWealth:

- signed an agreement with Leveraged Equities Limited to provide its members with access to margin lending facilities;
- signed a new supply agreement which will provide a more cost-effective execution, clearing and settlement service for investor trades;
- appointed Tony Lally as Chairman. Tony, is qualified actuary and former Olympic athlete. He holds relevant industry experience having been CEO of Sunsuper for a period of 6 years and has broad listed Company and Pension Fund Board experience; and
- is continuing to explore its opportunities to raise additional capital to support the ongoing growth of the Company.



**SelfWealth Limited**  
**Directors' declaration**  
**30 June 2017**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- 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

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



---

Andrew Ward  
Director

Date: 9 August 2017

# Independent Auditor's Report to the Members of SelfWealth Limited

## Opinion

We have audited the financial report of SelfWealth Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the financial report for the year ended 30 June 2017 has been prepared on a going concern basis.

The Company's ability to continue as a going concern is dependent on the Director's ability to continue to raise capital or generate sufficient revenue to sustain the operations of SelfWealth on an ongoing basis.

At this stage there is nothing to suggest that the Company would not be able to continue to raise capital or generate sufficient revenue to sustain the operations of the Company on an ongoing basis. Should such capital not be raised or sufficient revenue not be generated, the Company may not be able to realise its assets and settle its liabilities in the ordinary course of business.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## 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 Australian Accounting Standards – Reduced Disclosure Requirements 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 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.



**CROWE HORWATH MELBOURNE**



**DAVID MUNDAY**

**Partner**

**Melbourne, Victoria**

**9 August 2017**