

Motopia Limited

ABN 67 099 084 143

Appendix 4D

Half-Year Ended 31 December 2016

CONTENTS

- **Results For Announcement To The Market**
- **Half-Year Financial Report**
- **Independent Review Report**

Appendix 4D

Half-Year Report

Name of Entity

Motopia Limited

ABN or equivalent company reference	Half-Yearly (<i>tick</i>)	Preliminary final (<i>tick</i>)	Financial Year Ended ('current period')
A.B.N. 67 099 084 143	✓		6 months ended 31 Dec 16

Results for announcement to the market

Results	A \$
Total Revenues	Up from \$ nil to \$37,955
Net loss for the period attributable to members	Up 2.87% to \$766,758

Dividends	Amount per security	Franked amount per security
Final dividend - no dividend is proposed	N/A	N/A
Previous corresponding period - no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

NTA backing	Current period	Previous corresponding period
Net tangible assets backing per ordinary security	\$ nil	\$ nil

Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$766,758 (2015 December loss: \$745,332).

1. Details of entity over which control has been gained or lost during the period:

Not applicable

2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution.

Not applicable - no dividends have been declared or paid.

3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Not applicable

4. Details of associated joint venture entities

Not applicable

This report is based on:

The financial report has been reviewed by an independent auditor.



Justyn Stedwell (Company Secretary)
28 February 2017

MOTOPIA LIMITED
AND ITS
CONTROLLED ENTITIES
ABN: 67 009 084 143

FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2016

Contents to Half-Year Financial Report

Corporate Information	6
Directors' Report	7
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Half-Year Consolidated Financial Report	14
Directors' Declaration	20
Independent Auditor's Review Report to the Members of Motopia Limited	21

Corporate Information

This half-year report covers the Motopia Group comprising Motopia Limited and its subsidiaries. The Group's functional and presentation currency is AUD (\$).

DIRECTORS

Mr Marcus L'Estrange (Chairman, Non-Executive Director)

Mr Adrian Floate (Executive Director, appointed 10th November 2016. Previously Non-Executive Director)

Mr Shaun Melville (Non-Executive Director)

Mr Stephen Dale (Non-Executive Director)

COMPANY SECRETARY

Mr Justyn Stedwell

REGISTERED OFFICE

Suite 3,
35 Toorak Road
South Yarra, VIC 3141
Phone: +61 3 8678 1746

PRINCIPAL PLACE OF BUSINESS

Suite 3,
35 Toorak Road
South Yarra, VIC 3141
Phone: +61 3 8678 1746

SHARE REGISTER

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
Phone: 1300 364 826 (within Australia)
+61 3 9415 4610 (outside Australia)
www.computershare.com.au

BANKERS

Westpac Banking Corporation
360 Collins Street
Melbourne VIC 3000
Phone: +61 3 9608 3205
Fax: +61 3 9608 4343

AUDITORS

BDO East Coast Partnership
Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
Phone: +61 3 9603 1700
Fax: +61 3 9602 3870

SOLICITORS

Pointon Partners
Level 14
565 Bourke Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

The company is listed on the Australia Securities Exchange Limited www.motopia.com

COMPANY WEBSITE

ASX Code - MOT

Directors' Report

Your Directors present their report on the consolidated entity consisting of Motopia Ltd ("Motopia Ltd" and the entities it controlled) for the half year ended 31 December 2016.

DIRECTORS

The names of the company's directors in office at any time during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Mr Marcus L'Estrange (Chairman, Non-Executive Director)

Mr Adrian Floate (Executive Director appointed 10th November 2016. Previously Non-Executive Director)

Mr Shaun Melville (Non-Executive Director)

Mr Stephen Dale (Non-Executive Director)

REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$766,758 (2015 loss: \$745,332).

Operational Update

Motopia has, over the past months, commenced a transition to become a leading Cloud Services Migration business with an exciting future ahead. The Company is confident that the pathway the company has chosen in its corporate evolution is one that will bring reward to current and future shareholders.

Through the products that Motopia now offers to this market, the Company can provide a range of solutions to cover most Cloud Migration aspects and ongoing assistance that such clients require. Key to Motopia's revenue model is ongoing subscription fees for hosting, maintaining and enhancing the Cloud system. Motopia will offer customers a model to modernise, migrate to the cloud and extend their utilisation of software in a cost effective way.

Cloud hosted technology and development has advanced rapidly over the past few years and the migration of data, applications and other business elements from an organization's onsite computers to the cloud, is now a well-accepted and desired process for all enterprises, large and small. Cloud hosting of legacy data is now the norm for technology businesses and allows for more effective and efficient service application and ensures a flexible and cheap system for managing a broad range of applications and data.

Motopia has executed a binding agreement to wholly acquire Cirralto Business Services Pty Ltd announced on the 10 November 2016. Cirralto is a technology solutions provider and owner of the Flashconvert technology solution. Flashconvert is a migration service that migrates legacy, on premise accounting data files to cloud accounting platforms. The Flashconvert migration tool reads, converts, cleans and writes the data from a source accounting platform to the destination cloud accounting service. Cirralto's business model is completely aligned with the Company's vision of legacy data migration, with Flashconvert technology complimentary with the Company's existing 2SQL and MU2 data migration technology offerings. Cirralto is forecast to generate A\$1M revenue in FY2017, providing immediate cashflow to Motopia.

Motopia will seek to raise approximately A\$2.6 million via combination of debt and/or equity by means of a rights issue and/or placement to shareholders (Capital Raise). Motopia proposes to utilise funds raised in conjunction with the transaction mentioned above for the continued development of the Company's existing technologies, with the balance being utilised primarily to expand the sales offering of both technologies to both sets of existing customers.

Our modernisation technologies are now delivering results. They have an exciting fit with the resurgence of Microsoft, the business appetite for cloud technology and the rapid adoption of consumer like B2B systems. They are also technically compatible with the COTS capabilities of Flash Convert and deliverable by our growing Conversion Consulting team.

Directors' Report (continued)

Matters subsequent to reporting period

No other significant events have occurred since the end of the reporting period.

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 page 9.

Signed in accordance with a resolution of the directors.



Marcus L'Estrange
Chairman

Date: 28th February 2017

DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF MOTOPIA LIMITED

As lead auditor for the review of Motopia Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Motopia Limited and the entities it controlled during the period.



RICHARD DEAN
Partner

BDO East Coast Partnership

Melbourne, 28 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Revenue		37,955	-
TOTAL REVENUE		37,955	-
Other income		309,897	67
Employee expenses		(48,000)	(63,000)
Depreciation , amortisation and impairment		(68,506)	(359,770)
Consulting fees		(732,187)	(173,163)
Legal and other professional fees		(133,551)	(59,050)
Regulatory and listing costs		(26,980)	(26,584)
Occupancy expenses		(8,234)	(7,920)
Other expenses		(91,388)	(64,730)
Finance (costs)/gain		(5,764)	(1,767)
Share of net gain/(loss) from associates		-	903
Loss before Income Tax	3	(766,758)	(755,014)
Income tax expense		-	9,682
Loss after income tax expense		(766,758)	(745,332)
Loss for the period after income tax attributable to owners of Motopia Ltd		(766,758)	(745,332)
Other comprehensive loss for the half year, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MOTOPIA LTD		(766,758)	(745,332)
Loss per share for the half-year attributable to the members of Motopia Ltd			
- Basic (loss) per share (cents per share)		(1.1664)	(1.4348)
-Diluted (loss) per share (cents per share)		(1.1664)	(1.4348)

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2016

	Notes	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,504	71,744
Trade and other receivables		65,749	36,454
Other current assets		22,008	11,609
Total current assets		93,261	119,807
Non-current assets			
Investments	4	-	-
Intangible assets	5	369,642	438,147
Total non-current assets		369,642	438,147
TOTAL ASSETS		462,903	557,954
LIABILITIES			
Current liabilities			
Trade and other payables		244,991	287,230
Convertible notes	6	250,000	-
Loans from related parties	9	106,466	-
Other Loans		105,576	2,015
Total current liabilities		707,033	289,245
TOTAL LIABILITIES		707,033	289,245
NET ASSETS/(LIABILITIES)		(244,130)	268,709
EQUITY			
Contributed equity	8	45,400,961	45,147,042
Accumulated losses		(45,645,091)	(44,878,333)
TOTAL EQUITY		(244,130)	268,709

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

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Contributed Capital	Accumulated Losses	Total Equity
At 1 July 2016	45,147,042	(44,878,333)	268,709
Loss for the period	-	(766,758)	(766,758)
Total Comprehensive Loss for the period		(766,758)	(766,758)
Transactions with owners in their capacity as owners:			
Issue of Share Capital	276,000	-	276,000
Transaction costs related to share issue	(22,081)	-	(22,081)
Balance as at 31 December 2016	45,400,961	(45,645,091)	(244,130)
At 1 July 2015	44,072,718	(43,104,535)	968,183
Loss for the period	-	(745,332)	(745,332)
Total Comprehensive Loss for the period		(745,332)	(745,332)
Transactions with owners in their capacity as owners:			
Issue of Share Capital	570,379	-	570,379
Transaction costs related to share issue	(43,916)	-	(43,916)
Balance as at 31 December 2015	44,599,181	(43,849,867)	749,314

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	34,000	-
Research & development tax refund	309,803	-
Payments to suppliers and employees	(1,123,569)	(381,904)
Interest received	94	67
Bank charges and interest paid	(514)	(77)
Net cash used in operating activities	<u>(780,186)</u>	<u>(381,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of non-current assets	-	(50,000)
Net cash used in investing activities	<u>-</u>	<u>(50,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from related parties	106,466	-
Other loans	103,561	75
Proceeds from issue of shares	253,919	522,071
Proceeds from issue of convertible notes	250,000	-
Net cash provided by financing activities	<u>713,946</u>	<u>522,146</u>
Net (decrease)/increase in cash held	(66,240)	90,232
Cash and cash equivalents at beginning of period	<u>71,744</u>	<u>51,391</u>
Cash and cash equivalents at end of period	<u>5,504</u>	<u>141,623</u>

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

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. CORPORATE INFORMATION

The financial report of Motopia Limited (the Company) and its controlled entities for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 28th February 2017.

Motopia Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the consolidated entity are described in the directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose financial report for the half-year ended 31 December 2016 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2016 and considered together with any public announcements made by Motopia Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) New, raised or Amending Accounting Standard Adopted

The consolidated entity 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 reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are material to the consolidated entity.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the consolidated entity's presentation of, or disclosure in, its half-year financial statements

(c) New Accounting Standards for Application in Future Periods

The consolidated entity has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

(d) Going concern

For the half year ended 31 December 2016 the consolidated entity has incurred a loss of \$766,758 and for the period had cash outflows from operating activities of \$780,186. Furthermore, the consolidated entity is reliant on equity capital or loans from third parties to meet its operating costs. As at 31 December 2016 the consolidated entity also had accumulated losses of \$45,645,091.

The ability of the consolidated entity to continue as a going concern is dependent on ongoing support through loan funds, raising additional funds through a successful capital raising and the completion of the Cirralto Business Services Pty Ltd acquisition, receiving a Research and Development tax refund and achieving the forecast revenue targets. The directors acknowledge that these conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT...)

Raptor Global Corporation Ltd has supported the company in its endeavours since it was contracted in November 2014. Raptor's belief in the potential of the company has not waned and they have provided a letter of continuing support to the auditor and the board confirming this.

The financial report has been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

1. Capital raising activities

The consolidated entity has successfully completed capital raisings for \$276,000 in the half year period. The Board have demonstrated a strong history of successful capital raisings, in conjunction with Raptor Global Corporation, and will undertake additional capital raisings to meet future expansion and cash flow requirements.

2. Expected Cash inflow from migration technologies business

The consolidated entity continues to invest in the development of specialised system migration technologies to further enable customers to move the legacy data to commercial-off-the shelf software. This investment in future technologies will further grow the business offering and generate diversified revenue streams. This will enable Motopia to have a solid platform of technologies and IT resources to underpin its growth and revenue initiatives for 2017.

The directors are confident the additional funds will be raised and that the consolidated entity will continue as a going concern. The financial report has therefore been prepared on that basis.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge 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 the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

(e) Fair value of financial instruments

The consolidated entity has a number of financial instruments which are not measured at fair value in the statement of Financial Position. The carrying amount of the other current receivables and current payables approximates their fair value.

3. LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	Consolidated Group	
	Half-year Ended 31 Dec 2016	Half-year Ended 31 Dec 2015
	\$	\$
Interest income	94	67
Research & development tax refund	309,803	-
Total other income	309,897	67
Amortisation of Intangible assets	68,506	87,902
Impairment of CU2 Global Loan	-	271,868
Total depreciation, amortisation and impairment	68,506	359,770
Other interest expense	5,764	1,767
Total finance costs	5,764	1,767
Litigation settlement – (see Note 11)	70,000	-
Total litigation settlement	70,000	-

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONT...)

4. INVESTMENTS

CU2 Global Pty Ltd (CU2G) has the worldwide exclusive rights to market and deliver the technology known as 2SQL and has previously announced Fujitsu have entered a Global partnering agreement with CU2G. CU2G has announced additional partnership arrangements to increase the channels to market, including with Converter Technology Inc. and also the impending release of additional versions to cater for Oracle to Sequel Server; MySQL to Sequel Server; and Microsoft Access to SQL Azure. CU2G provides the technology for businesses looking to simplify their existing data management systems, reduce the costs of operating those systems and enable implementation in a Cloud environment (previously inaccessible).

Motopia holds 27.3% of CU2G which allows for significant influence over CU2G hence the equity method is used to account for the investment in CU2G.

As at 30 June 2016 the directors did not believe sufficient revenue would be derived over the next three years and have impaired this asset. CU2G has made a further loss in the six months to 31 December 2016.

	31 Dec 2016 \$	30 Jun 2016 \$
Investment in CU2G accounted for using the equity method		
Opening balance	-	174,292
Less: Provision for impairment	-	(174,292)
Closing balance	<u>-</u>	<u>-</u>

5. INTANGIBLE ASSETS

Lemon & Lime platform – at cost	5,500	5,500
Less: Accumulated amortisation	(3,437)	(2,750)
	<u>2,063</u>	<u>2,750</u>
ConvertU2Online Platform – at cost	292,527	292,527
Less: Accumulated amortisation	(81,198)	(44,630)
	<u>211,329</u>	<u>247,897</u>
Modac IP – at cost	250,000	250,000
Less: Accumulated amortisation	(93,750)	(62,500)
	<u>156,250</u>	<u>187,500</u>
Total intangibles	<u>369,642</u>	<u>438,147</u>

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONT...)

6. CONVERTIBLE NOTES

In the half-year period the consolidated entity issued convertible notes with a face value of \$250,000.

The key terms of the convertible notes are:

1. Expiry 12 months from the date of issue
2. Interest from the issue date at 12% per annum
3. The Company may elect to pay the interest through the issue of ordinary Shares at a 5% discount to the 10 day volume weighted average price (VWAP) prior to date for payment, subject to any required shareholder approvals being obtained
4. Subject to the Company obtaining shareholder approval, each note is fully convertible into ordinary shares
5. Noteholders will receive free attaching options
6. Non-transferable
7. On conversion, shares will be issued to converting loan note holders at a 25% discount to the 10 day VWAP
8. The notes are unsecured. The Noteholders shall rank as an unsecured general creditor of the Company
9. The Company may repay all of the principal amount outstanding and redeem the notes at any time prior to the expiry date

7. SEGMENT INFORMATION

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates predominantly in the IT industry focusing on data migration, and a single geographic segment being Australia.

At regular intervals, the CODM is provided management information at a consolidated level for the entity's cash position, the carrying values of intangible assets and a cash flow forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

8. CONTRIBUTED EQUITY

Ordinary Shares	Six months to 31 Dec 2016	
	No. of shares	\$
Opening balance	6,535,843,372	45,147,042
Issues of ordinary shares during the half-year:		
Rights issue and share placements	6,900,000	276,000
Consolidation of shares (100:1) - (i)	(6,470,484,734)	-
Transaction costs related to share issue	-	(22,081)
Closing Balance	72,258,638	45,400,961
Total Contributed Equity	72,258,638	45,400,961

(i) Consolidation of ordinary fully paid shares on the basis of 100 for 1 announced on 17 October 2016 and effective on 22 November 2016.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONT...)

9. RELATED PARTIES

The following entities have been determined to be related party entities:

Entity	Director/Key Management Personnel
CU2 Global Pty Ltd	CU2 Global Pty Ltd ("CU2G") is a related party entity. It is an associate of Motopia Limited. Mr Stephen Dale is director of both Motopia Limited and CU2G.
ConvertU2 Technologies Pty Ltd	ConvertU2 Technologies Pty Ltd ("CU2T") is a related party entity. It is a wholly-owned subsidiary of Motopia Limited.
ConvertU2 Online Pty Ltd	ConvertU2 Online Pty Ltd ("CU2O") is a related party entity. It is a wholly-owned subsidiary of Motopia Limited.
Raptor Global Corporation Ltd	Raptor Global Corporation Ltd ("Raptor") is a related party entity. Mr Marcus L'Estrange and Mr Shaun Melville are both directors of Motopia Limited and Raptor.
Anthem Software Pty Ltd	Anthem Software Pty Ltd ("Anthem") is a related party entity. Mr Adrian Floate is director of both Motopia Limited and Anthem.
Appstablishment Pty Ltd	Appstablishment Pty Ltd ("Appstablishment") is a related party entity. Mr Adrian Floate is director of both Motopia Limited and Appstablishment.
Cirralto Business Services Pty Ltd	Cirralto Business Services Pty Ltd ("Cirralto") is a related party entity. Mr Adrian Floate is director of both Motopia Limited and Cirralto.
Floating Assets Trust	Floating Assets Trust is a related party entity in which Mr Adrian Floate has a beneficial interest.
Drilling Resource Partners Pty Ltd	Drilling Resource Partners Pty Ltd ("Drilling") is a related party entity. Mr Marcus L'Estrange is director of both Motopia Limited and Drilling.

Loans Issued to/from Related Entities

	31 Dec 2016 \$	30 Jun 2016 \$
Related Party Loans		
Loan Receivable:		
a) CU2 Global Pty Ltd		
Opening Balance	-	271,868
Less: Provision for impairment – CU2 Global Pty Ltd	-	(271,868)
Closing Balance	-	-
Total loan receivable from related parties	-	-
Loan Payable:		
a) Floating Asset Trust		
Opening Balance	-	-
Add: Loans provided	113,466	-
Less: Loans repaid	(7,000)	-
Closing Balance	106,466	-

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONT...) NOTE 9 RELATED PARTIES (CONT...)

b) Raptor Global Corporation Ltd

Opening Balance	-	-
Add: Loans provided	38,000	-
Less: Loans repaid	(38,000)	-
Closing Balance	-	-

c) Drilling Resource Partners Pty Ltd

Opening Balance	-	-
Add: Loans provided	37,000	-
Less: Loans repaid	(37,000)	-
Closing Balance	-	-

Total loan payable to related parties

106,466	-
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Share Issued to Related Entities

No shares in Motopia Ltd were issued to directors and key management personnel of related entities during the half-year period.

Transactions with related parties

During the half-year period, services have been provided to directors' related entities as follows:

Director	Entity	Nature	Half Year Ended 31 Dec 2016 \$	Half Year Ended 31 Dec 2015 \$
Mr Marcus L'Estrange	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	83,236	80,156
	Drilling Resource Partners Pty Ltd	Interest on loan provided	5,000	-
Mr Shaun Melville	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	83,236	80,156
Mr Adrian Floate	Anthem Software Pty Ltd	IT services	54,150	69,000
	Appstablishment Pty Ltd	IT services	450,000	-
	Cirralto Business Services Pty Ltd	IT services	(37,955)	-
	Floating Assets Trust	Consulting fees	146,186	-

Sales to and purchases from related parties are made on an arm's length basis at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

All intercompany transactions are eliminated on consolidation.

10. DIVIDENDS

No dividends have been paid, declared or proposed for the half-year period.

11. CONTINGENT LIABILITIES

During the 2015 financial year, the Board of Motopia Limited received a legal claim filed in the County Court of Victoria from GWT Systems Pty Ltd (GWT) against the Company seeking unspecified compensation in relation to alleged funds payable by the Company. The Claim has been settled in the December 2016 half year period with the Board agreeing to a total cash payment of \$60,000 and 10,000,000 pre consolidated shares (value \$10,000) in Motopia. As Motopia was unable to issue any new shares under its 15% placement capacity, the shares were transferred to GWT from existing shareholders. Motopia will need to issue to these shareholders 10,000,000 new shares (100,000 shares post consolidation) in due course.

12. SIGNIFICANT EVENTS AFTER REPORTING DATE

No significant events have occurred since the end of the reporting period.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Motopia Limited made pursuant section 303(5)(a) of the Corporations Act 2001, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and the performance for the half-year ended on that date of the consolidated entity;
 - (ii) complying with Accounting Standard AASB 134 "interim Financial Reporting" and the corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (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.

On behalf of the Board



Marcus L'Estrange
Chairman
Melbourne

Date: 28th February 2017



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AUSTRALIA

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Motopia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Motopia Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 internal control as the directors determine is necessary to enable the preparation of the half-year 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 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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 Motopia Limited, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Motopia Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 Motopia Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1(d) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO East Coast Partnership



Richard Dean
Partner

Melbourne, 28 February 2017