

ASX Appendix 4E (rule 4.3A)

Preliminary final report for the year ended 30 June 2017

Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2017

Previous Corresponding Period: N/A - Company Incorporated on 13 October 2016

Results for announcement to the market

	\$A'000	Up/Down	% Movement
Revenue from ordinary activities	-	-	-
Revenue from ordinary activities excluding interest income	-	-	-
Loss from ordinary activities after tax	(696)	up	100%
Loss attributable to members	(696)	up	100%

Dividends	Amount per share	Franked amount per share
Interim dividend	N/A	N/A
Final dividend	N/A	N/A
Record date for determining entitlements to dividends		N/A

Brief explanation of any figures reported above necessary to enable the figures to be understood

Refer to ASX Announcement and attached Review and Results of Operations

Net tangible assets backing	30 June 2017
Net tangible assets/(liability) per security	(0.12) cents
Net asset backing per security	(0.0019) cents

Control gained or lost over entities having material effect

Name of entity	Nil
Date of acquisition	-
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	-
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	-
Contribution to consolidated profit/(loss) from ordinary activities from acquisition date	-

Description of acquisition:

Material interest in entities which are not controlled entities

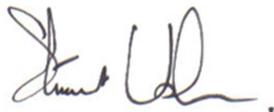
The consolidated entity has an interest (that is material to it) in the following entities: Nil

Compliance Statement

The preliminary final report has been prepared based on the 30 June 2017 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s302 of the *Corporations Act 2001*.

Attachments forming part of Appendix 4E:

1. Financial Report



Signed: _____

Stuart Usher
 Company Secretary

Date: 31 August 2017



**PRELIMINARY FINAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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SCOUT SECURITY LIMITED

CORPORATE DIRECTORY

Directors

Mr John Strong – Non-Executive Chairman

(Appointed 22 August 2017)

Mr Daniel Roberts – Chief Executive Director

(Appointed 22 August 2017)

Mr David Shapiro –Executive Director

(Appointed 22 August 2017)

Mr Anthony Brown – Non-Executive Director

(Appointed 22 August 2017)

Mr Sol Majteles - Non-Executive Director

(Appointed 22 August 2017)

Mr Ananda Kathiravelu - Non-Executive Director

(Resigned 22 August 2017)

Mr John Moore - Non-Executive Director

(Resigned 22 August 2017)

Mr Michael Shaw-Taylor - Non-Executive Director

(Resigned 22 August 2017)

Company Secretary

Mr Stuart Usher

Registered Office - Australia

Unit 7, 151 Macquarie Street
SYDNEY NSW 2000

Registered Office – United States

210 North Racine Avenue
Unit 3S, Chicago, IL 60607
United States of America

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Home Stock Exchange

Australian Securities Exchange Limited

Level 40

Central Park

152-158 St George's Terrace

PERTH WA 6000

ASX Code:

SCT (Ordinary Shares)

Auditor

BDO Audit (WA) Pty Ltd

38 Station Street

SUBIACO WA 6008

Bankers

Westpac Banking Corporation

130 Rokeby Road

SUBIACO WA 6008

Share Registry

Link Market Services

Central park

Level 4, 152 St Georges Terrace

PERTH WA 6000

SCOUT SECURITY LIMITED

DIRECTORS REPORT

Principal Activities

The principal activity of the company during the financial year was to acquire Scout Security Inc. (a Delaware C Corporation), which engages in the business of offering and managing home security products. The Company had entered into a binding heads of agreement (HOA) with the majority stockholders of Scout Security Inc. to acquire 100% of the issued capital of Scout. This occurred on 22 August 2017 on the satisfaction of all conditions precedent in accordance with the HOA.

Review of Operations and results

The Company recorded a loss after tax for the year ended 30 June 2017 of \$680,686.

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Message from the new Chief Executive Officer

The incoming board of directors of Scout Security Limited is excited to have completed Scout's listing on the ASX and we look forward to the next phase of building the company with you. I'd like to personally welcome each new shareholder in Scout and also thank those that have supported us over the years.

When the company was founded, the goal was to grow the home security market to reach those consumers that had been priced out of the market, or whose living situation wouldn't allow them to purchase a traditional system. The market needed something that was more modern, open and affordable. Scout is the embodiment of that mission and we've demonstrated the demand for the product over the years. Now, with the capital available from our listing, we have the chance to take the company to the next level. As we increase production and deploy marketing dollars to elevate the brand, we believe we have the chance to accomplish those goals on a much larger scale.

Thank you again for your support. We're looking forward to the path ahead.

Regards,

Dan Roberts
Executive Director and CEO

SCOUT SECURITY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017
		\$
Revenues		
Interest Revenue		316
 Expenses		
Consulting & professional fees		(152,110)
Acquisition option fee expense		(500,000)
Travel and accommodation		(31,201)
Other expenses		(12,691)
Total expenses		<u>(696,002)</u>
Profit/(loss) before Income Tax		(695,686)
Income tax expense		-
Profit/(loss) after income tax attributable to members of Scout Security Limited		<u>(695,686)</u>
Other comprehensive income		<u>-</u>
Total comprehensive profit/(loss) attributable to members of Scout Security Limited		<u>(695,686)</u>
 Earnings/(loss) per share		
		Cents per Share
Basic Earnings/(loss) per share		(0.38)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

SCOUT SECURITY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	30 June 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents		160,579
Trade and other receivables		450,267
Total Current Assets		<u>610,846</u>
Total Assets		<u>610,846</u>
LIABILITIES		
Current Liabilities		
Trade and other payables		456,531
Share applications held in trust		160,000
Total Current Liabilities		<u>616,531</u>
Total Liabilities		<u>601,531</u>
Net Assets		<u><u>(5,685)</u></u>
Equity		
Issued capital		690,001
Accumulated losses		(695,686)
Total Equity		<u><u>(5,685)</u></u>

The Consolidated Statement of Financial Position should be read in conjunction
with the notes to the financial statements.

SCOUT SECURITY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year ended 30 June 2017 \$
Cash flows from operating activities		
Interest received		316
Option fee payment		(500,000)
Payments to suppliers and employees		(29,539)
Net cash flows used in operating activities		(529,223)
 Cash flows from financing activities		
Prepaid share application funds received		160,000
Proceeds from issue of shares		690,001
Proceeds of loans		75,000
Loans advanced		(75,434)
Prepayment of IPO costs		(159,765)
Net cash flows provided by financing activities		689,802
 Net increase in cash and cash equivalents held		160,579
Add opening cash and cash equivalents brought forward		-
Closing cash and cash equivalents carried forward		160,579

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

SCOUT SECURITY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital \$	Accumulated Losses \$	Total Equity \$
At 1 July 2016	-	-	-
Total comprehensive loss for the period	-	(695,686)	(695,686)
Transactions with owners in their capacity as owners:			
Issue of share capital	690,001	-	690,001
At 30 June 2017	690,001	(695,686)	(5,685)

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

SCOUT SECURITY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2017

1. BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E

2. EVENTS OCCURRING AFTER REPORTING DATE

Merger with Scout Security Inc.

On 22 August 2017 Scout Security Limited, the legal parent entity merged with Scout Security Inc. (Scout). This was in accordance with a binding heads of agreement dated 12 December 2016 (and amended and restated by the Deed of Amendment and Restatement dated 27 February 2017), pursuant to which the Company acquired Scout Security Inc. by way of a merger.

Scout is a United States (Delaware) company that was formed on 1 May 2013 for the primary purpose of developing a self-installed, wireless home security system that is more modern, open and affordable. Scout aims to be the go-to experience for protected and connected home security and related services customised for the home.

Under the terms of the agreement, Scout Security Limited issued 69,900,000 Ordinary fully paid shares to the shareholders of Scout Security Inc., and 36,000,000 Performance Shares to the incoming CEO and Executive Director, Mr Daniel Roberts and Executive Director, Mr David Shapiro.

Completion of the merger was conditional upon the Company undertaking a capital raise and receiving applications for at least \$5,000,000 worth of shares. In accordance with the prospectus dated 23 June 2017 the Company successfully raised \$5,010,500, by the issue of 25,052,500 Ordinary Shares on 22 August 2017. In addition 15,000,000 Capital Raise Options and 6,000,000 Director Options were issued in accordance with the prospectus.

On 23 August 2017, having accepted the resignations of Mr Ananda Kathiravelu, John Moore and Michael Shaw-Taylor as directors of the Company, and having received the consent to act, the appointment of Mr Daniel Roberts, Mr David Shapiro, Mr Sol Majteles, Mr Anthony Brown and Mr John Strong as directors of the Company.

Having satisfied all the conditions precedent in the HOA, the Company was listed on the ASX on 25 August 2017.

3. AUDIT STATUS

This report is based on accounts that are in the process of being audited.