

Cape Range Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Cape Range Limited
ABN:	43 009 289 481
Reporting period:	For the half-year ended 30 June 2020
Previous period:	For the half-year ended 30 June 2019

2. Results for announcement to the market

			A\$'000
Revenues from ordinary activities	up	16% to	291
Loss from ordinary activities after tax attributable to the owners of Cape Range Limited	down	243% to	939
Loss for the half-year attributable to the owners of Cape Range Limited	down	243% to	939

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the half year ended 30 June 2020	Nil	Nil

Comments

The profit for the consolidated entity after income tax amounted to \$938,729 (30 June 2018: loss \$273,321).

In the current half year the Company generated sales income of \$291,207.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary share	<u>3.7</u>	<u>4.6</u>

4. Control gained over entities

During the half year the Company did not gain control over any entity.

5. Loss of control over entities

During the half year the Company did not lose control over any entity.

6. Details of associates and joint venture entities

The Company has no associates or joint venture entities.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of Cape Range Limited for the half-year ended 30 June 2019 was lodged with ASX on 31 August 2020.

9. Signed



Michael Higginson
Director
Brisbane, Queensland

Date: 31 August 2020



Cape Range Limited

ACN: 009 289 481

Half Year Financial Report for the Six Months
Ended 30 June 2020

CAPE RANGE LIMITED

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Corporate Information

ASX Code: CAG

Directors

Mr Wayne Johnson (Non-Executive Chairman)
Mr Michael Higginson (Non-Executive Director)
Mr Gary Lim (Non-Executive Director)
Mr Raja Ahmad Raja Jallaludin (Non-Executive Director)

Company Secretary

Mr Michael Higginson

Registered Office

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Share Registry

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Principal Place of Business

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Auditors

Hall Chadwick
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2 Park Street
Sydney NSW 2000
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CAPE RANGE LIMITED

Directors' Report

The Directors submit their report on Cape Range Limited (the "Company" or "CAG") for the half year ended 30 June 2020.

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

Directors

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

Mr Wayne Johnson (Non-Executive Chairman)
Mr Michael Higginson (Non-Executive Director)
Mr Gary Lim (Non-Executive Director)
Mr Raja Ahmad Raja Jallaludin (Non-Executive Director)

Review and Results of Operations

The loss after tax for the half year ended 30 June 2020 attributable to the members of the Company was \$938,729 (30 June 2019: Loss of \$273,321).

During the half year, the Company's Malaysian operations were significantly impacted by COVID-19 resulting in the half year results including a provision for impairment of intangible assets of \$651,126 (MYR1,819,635) and an increase in the provision for doubtful debts of \$10,241 (MYR 28,619).

On 18 March 2020, the Malaysian Government implemented a Movement Control Order (**MCO**) to curb the spread of COVID-19. On 10 June 2020, the Recovery Movement Control Order (**RCMO**) replaced the MCO.

During the MCO (which ended on 9 June 2020) all Biztrak employees worked from home and all business travel was cancelled. Upon implementation of the RCMO, all employees (except those that requested to continue working from home due to the closure of day care centres) returned to the office.

The Company's Malaysian subsidiaries received wage subsidies of MYR 16,800 for each month in May and June 2020, which have been included in the results for the half year. In July, a further MYR 16,800 was received and the Malaysian government has announced that wage subsidies of MYR 8,400 for each month from August to October 2020 will be provided. These subsidies resulted in the retention of all Biztrak employees, without pay cuts or retrenchment. No recruitment of new staff is planned.

With rising unemployment and substantial political and regulatory changes, the Malaysian economy has been significantly impacted which has resulted in expenditure cut backs, corporate downsizing and an almost entire shutdown of commercial activities during the MCO.

Due to the prevailing conditions, product discounts of up to 30% have been offered on the Company's MSB software. In addition, 12 month extended payment plan options are now being requested by customers. On the other hand, working from home and social distancing has resulted in increased demand for the deployment of cloud-based accounting solutions.

Subsequent Events

Other than the continuing effects of COVID-19, there have not been any matters or circumstances, that have arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 30 June 2020 has been received and can be found on page 11.

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

On behalf of the Directors



Wayne Johnson
Director and Chairman

Date: 31st day of August 2020

CAPE RANGE LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Six Months Ended 30 June 2020

	Notes	30 June 2020	30 June 2019
		\$	\$
Revenue		291,207	251,003
Cost of sales		(9,982)	(11,017)
Gross Profit		281,225	239,986
Other income		53,000	65,744
Total other income		53,000	65,744
Administration expenses		437,450	424,258
Marketing and promotional expenses		822	2,780
Depreciation and amortization expenses		119,181	114,596
Other operating expenses		48,343	29,215
Provision for doubtful debts		10,241	-
Provision for impairment of intangible assets		651,126	-
Finance costs		5,791	8,202
Total expenses		(1,272,954)	579,051
Net (loss) for the period		(938,729)	(273,321)
Income tax expense		-	-
Net (loss) after income tax expense for the period		(938,729)	(273,321)
Exchange differences on translating foreign operations		11,228	19,740
Total comprehensive (loss) for the period		(927,501)	(253,581)
Basic earnings per share		(1.07)	(0.0033)
Diluted earnings per share		(1.07)	(0.0033)

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

CAPE RANGE LIMITED

Consolidated Statement of Financial Position

As at 30 June 2020

Notes	30 June 2020	31 December 2019
	\$	\$
Current Assets		
Cash and cash equivalents	3,763,257	4,011,445
Trade and other receivables	152,834	328,017
Total Current Assets	3,916,091	4,339,462
Non-current Assets		
Plant and equipment	70,233	82,995
Right-of-use assets	2,414	13,368
Intangible assets	926,657	1,565,169
Total Non-current Assets	999,304	1,661,532
Total Assets	4,915,395	6,000,994
Current Liabilities		
Trade and other payables	168,128	317,572
Lease liabilities	3,158	13,972
Deferred revenue	165,466	136,158
Income tax liabilities	50,762	52,209
Borrowings	28,582	28,472
Total Current Liabilities	416,096	548,384
Non-current Liabilities		
Deferred tax liabilities	1,702	1,739
Borrowings	76,680	83,542
Total Current Liabilities	78,382	85,281
Total Liabilities	494,478	633,665
Net Assets	4,420,917	5,367,329
Equity		
Issued capital	6	21,048,346
Unissued share reserve		-
Foreign currency translation reserve		74,085
Accumulated losses		(15,774,013)
Total Equity	4,420,917	5,367,329

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

CAPE RANGE LIMITED

Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2020

	Issued Capital Ordinary Shares \$	Foreign Currency Translation Reserve \$	Unissued Share Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 01/01/2020	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329
Foreign exchange translation reserve	-	11,228	-	-	11,228
Loss for the period	-	-	-	(938,729)	(938,729)
Total comprehensive loss for the year	-	11,228	-	(938,729)	(927,501)
Transactions with owners, in their capacity as owners and other transfers					
Ordinary shares issued on conversion of performance rights	7,650,000	-	(7,650,000)	-	-
Cost of issue	(18,911)	-	-	-	(18,911)
Balance at 30/6/2020	21,048,346	85,313	-	(16,712,742)	4,420,917
Balance at 01/01/2019	13,417,257	45,727	-	(8,270,117)	5,192,867
Adjustment on initial recognition of AASB 16	-	-	-	(352)	(352)
Balance as at 1 January 2019 (restated)	13,417,257	45,727	-	(8,270,469)	5,192,515
Loss for the period	-	-	-	(273,321)	(273,321)
Foreign exchange translation reserve	-	19,740	-	-	19,740
Total comprehensive loss for the year	-	19,740	-	(273,321)	(253,581)
Balance at 30/06/2019	13,417,257	65,467	-	(8,543,790)	4,938,934

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

CAPE RANGE LIMITED

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2020

	30 June 2020	30 June 2019
	\$	\$
<i>Cash Flows From Operating Activities</i>		
Receipts from customers	510,241	452,971
Payments to suppliers and employees	(633,627)	(450,339)
Payment of income tax	(1,483)	98
Interest income	28,215	51,781
Finance costs	(5,791)	(8,202)
<i>Net cash from/(used in) operating activities</i>	(102,445)	46,309
<i>Cash Flows From Investing Activities</i>		
Payments for property, plant & equipment	-	(5,558)
Payments for intangibles	(110,039)	(160,602)
<i>Net cash (used in) investing activities</i>	(110,039)	(166,160)
<i>Cash Flows From Financing Activities</i>		
Repayment of lease liabilities	(10,039)	(9,280)
Cost of issue of shares	(18,911)	-
Repayment of term loan	(6,754)	(19,389)
<i>Net cash (used in) financing activities</i>	(35,704)	(28,669)
<i>Net decrease in cash and cash equivalents</i>	(248,188)	(148,520)
Cash and cash equivalents at beginning of period	4,011,445	4,255,177
Cash and cash equivalents at end of period	3,763,257	4,106,657

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

CAPE RANGE LIMITED

Notes to the Financial Statements

For the Six Months Ended 30 June 2020

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 29 Brookside Place, Lota, Queensland 4179.

2. Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and considered together with any public announcements made by Cape Range Limited during the half year ended 30 June 2020.

3. Basis of Preparation

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

The half-year financial report does not include all the types of notes normally included within the annual financial report and therefore cannot be expected to provide as full understanding of the financial position, financial performance and financing and investing activities of the Company as the year-end financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2019 annual financial report for the financial year ended 31 December 2019 and the previous corresponding half-year period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Presentation currency

These financial statements are presented in Australian dollars, which is the Company's presentation currency.

4. Impact of CoVid 19

During the half year, the Company's Malaysian operations were significantly impacted by COVID-19.

On 18 March 2020, the Malaysian Government implemented a Movement Control Order (**MCO**) to curb the spread of COVID-19. On 10 June 2020, the Recovery Movement Control Order (**RCMO**) replaced the MCO.

The Company's Malaysian subsidiaries received wage subsidies of MYR 16,800 for each month of May and June 2020, which have been included in the results for the half year. In July, a further MYR 16,800 was received and the Malaysian government has announced that wage subsidies of MYR 8,400 for each month from August to October 2020 will be provided. These subsidies resulted in the retention of all Biztrak employees, without pay cuts or retrenchment. No recruitment of new staff is planned.

With rising unemployment and substantial political and regulatory changes, the Malaysian economy has been significantly impacted which has resulted in expenditure cut backs, corporate downsizing and an almost entire shutdown of commercial activities during the MCO.

Due to the prevailing conditions, product discounts of up to 30% have been offered on the Company's MSB software. In addition, 12 month extended payment plan options are now being requested by customers. On the other hand, working from home and social distancing has resulted in increased demand for the deployment of cloud-based accounting solutions. As a result the half year results include a provision for impairment of intangible assets of \$651,126 (MYR1,819,635) and an increase in the provision for doubtful debts of \$10,241 (MYR 28,619).

5. Going Concern

The half year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group made an operating loss before tax of \$938,729 (30 June 2019: Loss of \$273,321) for the period. The Group had net assets of \$4,420,917 as at 30 June 2020 (31 December 2019 \$5,367,329). The Group has sufficient cash to pay its debts as and when they fall due. At 30 June 20, the Company had \$3,763,257 in cash.

Whilst COVID-19 is expected to adversely impact on the profitability and revenue of the Company's operating Malaysian subsidiaries over the next 1-2 years, the Company has sufficient cash resources to ensure that the Company and its operating subsidiaries remain a going concern.

CAPE RANGE LIMITED

Notes to the Financial Statements

For the Six Months Ended 30 June 2020

6. Share Capital

	30 June 2020	30 June 2020	31 Dec 2019	31 Dec 2019
	No.	\$	No.	\$
(a) Ordinary Shares				
Fully paid ordinary shares	<u>94,908,301</u>	<u>19,585,846</u>	<u>83,658,301</u>	<u>13,417,257</u>
30 June 2020				
Issue of ordinary shares during the period			<u>No.</u>	<u>\$</u>
Balance as at 1 January 2020			83,658,301	13,417,257
Conversion of performance rights			11,250,000	7,650,000
Cost of issue			<u>(18,911)</u>	
Issued capital as at 30 June 2020			<u>94,908,301</u>	<u>21,048,346</u>

Ordinary shares

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

Performance Rights

On 30 April 2020 11,250,000 performance rights were converted to 11,250,000 fully paid ordinary shares at a price of \$0.68 being the Company's closing share price on 31st December 2019. The number of performance rights issued was based upon Biztrak achievement of pre-determined EBITDA targets during the period commencing on the date that the Company was admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019. A further 8,750,000 performance rights were forfeited as at 31 December 2019 as Biztrak had not achieved the maximum EBITDA as agreed between the Company and the performance right holders at the time of admission to the official list of the ASX.

7. Segment Information

For management purposes the Group is organised into two strategic units:

- Corporate head office in Australia
- Operations and technology development based in Malaysia

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information to the Board.

The operating segment analysis presented in these preliminary financial statements reflects operations analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the preliminary financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

CAPE RANGE LIMITED**Notes to the Financial Statements**

For the Six Months Ended 30 June 2020

	Australia \$	Malaysia \$	Eliminations \$	Total \$
Period ended 30 June 2020				
Revenue from external customers	-	291,207	-	291,207
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(209,136)	(729,593)	-	(938,729)
Period ended 30 June 2019				
Revenue from external customers	-	251,003	-	251,003
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(231,067)	(42,254)	-	(273,321)
Reportable segment assets at 30 June 2020	15,552,402	1,299,493	(11,936,500)	4,915,395
Reportable segment assets at 30 June 2019	16,001,271	1,347,727	(11,936,500)	5,412,498
Reportable segment liabilities at 30 June 2020	125,733	648,922	(280,177)	494,478
Reportable segment liabilities at 30 June 2019	146,410	605,964	(278,798)	473,576

8. Subsequent Events

Other than the continuing effects of COVID-19, there have not been any matters or circumstances, that have arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the six months ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2020

On behalf of the Board



Wayne Johnson
Director

Date: 31st day of August 2020

CAPE RANGE LIMITED
ABN 43 009 289 481

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cape Range Limited, which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Cape Range Limited 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 Cape Range Limited's financial position as at 30 June 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Cape Range Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the 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 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 Cape Range Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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CAPE RANGE LIMITED
ABN 43 009 289 481
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CAPE RANGE LIMITED

Conclusion

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

- (i) giving a true and fair view of Cape Range Limited's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 31 August 2020

CAPE RANGE LIMITED
ABN 43 009 289 481

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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In accordance with S307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cape Range Limited. As the lead audit partner for the review of the financial report of Cape Range Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 31 August 2020

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