MOTOPIA LIMITED

AND ITS

CONTROLLED ENTITIES

ABN: 67 009 084 143

ANNUAL FINANCIAL REPORT

YEAR ENDED 30 JUNE 2017

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CORPORATE DIRECTORY

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

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

Mr Michael Mulvey (Executive Director, appointed 12th July 2017) (Chief Executive Officer, appointed 17th May 2017)

Mr Shaun Melville (Non-Executive Director)

Mr Stephen Dale (Non-Executive Director)

COMPANY SECRETARY
Mr Justyn Stedwell

REGISTERED OFFICE
1B/205-207 Johnston Street
Fitzroy, VIC 3065

OPERATIONAL OFFICE
1B/205-207 Johnston Street
Fitzroy, VIC 3065

AUDITOR
BDO East Coast Partnership
Collins Square Tower 4
Level 18
727 Collins Street
Melbourne, VIC 3008

SOLICITOR
Pointon Partners
Level 14
565 Bourke Street
Melbourne, VIC 3000

BANKER
Westpac Banking Corporation
360 Collins Street, Melbourne VIC 3000

STOCK EXCHANGE LISTING
The Company is listed on the Australian Securities Exchange.
Home Exchange – Melbourne, Australia

Code:
ASX:MOT

COMPANY WEBSITE
www.motopia.com

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

REVIEW OF OPERATIONS

Motopia and its subsidiaries recorded a loss of $1,938,065 (2016: loss of $1,773,798) for the financial year ended 30 June 2017 which includes impairment expenses of $66,375 (2016: $626,892) for impairment of intangible assets, investment, and loan receivables, with an operating cash outflow of $750,926 (2016: $869,489).

Acquisition of Cirralto Business Services Pty Ltd ("Cirralto")

The acquisition of Cirralto has been completed on 7 September 2017. Cirralto is a technology solutions specialist that provides technology enablement services to customers wishing to fulfil their digital and eCommerce ambitions to better compete in the global marketplace, access new, non-traditional markets and acquire new customers as well as the owner of the Flashconvert technology solution. The acquisition provides the Company with a strong foundation from which to launch its combined business modernisation technology platform as a service (PaaS) offering to the SMB and SME business segment.

The acquisition of Cirralto included the following transactions:

1. The Company issued 132,500,000 shares at a deemed price of $0.04 per share in the Company to the vendors as consideration for the acquisition of 100% of issued capital of Cirralto; and
2. 69,289,925 of the Consideration Shares have been issued to Related Party Vendors while the remainder of the Consideration Shares have been issued to unrelated vendors. Rare Air Nominees Pty Ltd, a related party of Mr Adrian Floate, have received 38,103,949 Consideration Shares while Raptor Global Corporation Ltd, a related party of Mr Marcus L'Estrange and Mr Shaun Melville, has received 31,185,976 Consideration Shares.

The Company will apply funds raised to the recruitment of key staff hires in the new Sydney and Perth offices. These new team members will be essential to enable the sales growth and the successful commercialisation of the Company's modernisation technology Platform as a Service (PaaS) offering to the SMB and SME business segment.

Sales Update

Since the appointment of Mr Mulvey as Managing Director and Mr Floate as Executive Director, Sales and Product Development, the Company has been focused on its sales structure and the execution of its go to market strategy.

With the completion of the Cirralto acquisition, the "New Motopia" is implementing its integrated Go To Market plan with three primary customer acquisition strategies that in turn drive revenue.

These include collaborating with other software companies to provide modernisation services to them and their reseller networks. The Company expects to make further announcements about the agreements before the end of the December quarter.

Additionally, the Company is also developing direct relationships with customers with specific focus on franchise retailers and buying groups needing to modernise their POS and e-commerce, not-for-profit healthcare providers seeking to improve their e-commerce and procurement and hospitality venues seeking to modernise their POS and procurement. The Company expects to make further announcements on revenue from this segment in the run up to Christmas.

Finally, the Company is also developing reselling relationships with synergistic partners who have incumbent customers and an ambition to modernise and build upon those relationships in our target markets. The Company has announced that Cirralto has signed a reselling agreement with Telstra whereby Cirralto products and services will be resold by Telstra. The terms of this agreement are confidential but the Company is confident it will make further announcements about the revenue impact of this agreement in line with customer successes.

These combined strategies have created strong demand for our collective products and services and the Company can confirm a longer term sales pipeline in excess of A$20M. With the expansion of our team over the next year we would expect this sales pipeline figure to further increase.

Revenue Forecast FY 2018

The Company has made significant progress in the integration of the MU2 and Flash Convert data migration platforms as well as developing new revenue sharing and collaboration agreements with various parties.

Given the progress of the Company to date, the Board is confident in the achievement of the following revenue and financial performance targets in the 2018 financial year. The Board has approved an Annual Budget that delivers strong revenue of a minimum of $2.5M during FY 2018, based on current resources, and transitions to being cash flow positive by March 2018. As the team is expanded off the back of the current Rights Issue funding, we expect to achieve revenues in excess of this minimum benchmark. The Company will enjoy a strong monthly cash position throughout this period and will show further significant growth and profitability during FY 2019.

Review of Operations (cont….)

The following table highlights revenue by source:

Solution Type	**%**
Modernisation	3%
Integration	10%
Vertical Solutions	87%

Whilst the greatest percentage of income flows from our vertical solutions initiatives it should be noted that these solutions utilise the Company's modernisation assets as the foundation for delivering repeatable and sustainable recurring revenues. Initial focus is on the market segments that will deliver the greatest revenue in the short term. Based on demand and market factor, new sales channels will be developed in the future.

The Company's team recruitment is focused upon building out its modernisation and integration capability to enable acceleration of growth in its vertical solutions initiatives.

The Company's fundamental mission is to help its customers' customer, evolve the way they buy, sell and do business to meet the demands of the global, mobile, cloud economy.

The newly merged business brings together the Company's technological capability with the existing expert resource base and successful business experience held within Cirralto. This will enable significant potential revenue opportunities in the business modernisation space within the SMB and SME business segments.

Great progress has been made in the integration of the two businesses and the Company is in excellent shape for sustained revenue based growth.

Sincerely,

M. L'Estrange

Marcus L'Estrange
Chairman

29 September 2017

DIRECTORS' REPORT

The Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2017.

Directors

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

Mr Stephen Dale
(Non-Executive Director)

Stephen Dale has business experience in telecommunications, logistics, retail furniture and saddlery ventures. Since 2003 he has been a Board member of Saddleworld Australia franchised retail group, having served as chairman and currently the deputy chairman. He has also served as a Board member of Assumption College Kilmore for 14 years. In addition, his current activities also include providing support services to the retail sector and development of a beef cattle breeding stud. He has had no other directorships of listed corporations in the last three years.

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

Marcus L'Estrange is an engineer with extensive experience in the IT industry as well as the mining industry, the oil and gas industry, and the environmental industry. He has been involved with the start-up of several successful companies within these sectors. He has a diverse range of skills as an engineer as well as in sales, marketing and business development.

Previously, Marcus helped to start up the oil and gas software company, Engenius Software. In the position of Engineering Sales Manager, over a period of 4 years he succeeded in selling their exploration software globally to the major western oil & gas companies and the majority of offshore exploration companies, helping to grow the business on an international scale and he resided in the USA and Europe during this period. While contracted to BHPB Petroleum Marcus developed and implemented their Quality Assurance Purchase Order Databases for management of purchase orders relating to BHPB Petroleum offshore facilities.

Marcus is a co-founder of Raptor Global Corporation Ltd. He is also Chairman of Neopharma Technologies Ltd, a Director of Drilling Resource Partners Pty Ltd and a Non-Executive Director of Potash Global Ltd.

He has had no other directorships of listed corporations in the last three years.

Mr Adrian Floate
(Executive Director – Appointed 10 November 2016)
(Non-Executive Director – Prior to 10 November 2016)

Adrian Floate is an IT innovator who has been building software for 20 years. He has founded, built, and sold several technologies businesses and worked in Asia, Australia, the UK and US. Adrian has both private and public company experience at an executive level. He is a business strategist that looks to overcome complex problems with software automation solutions. Adrian has worked in supply chain management systems since 1997 and has experience in manufacturing, wholesale distribution, retail and eCommerce.

Adrian's career includes designing and developing Bunning's BITS system EDI over IP network, the development and commercialisation of Australia's first SET payments gateway, the development and commercialisation of a Windows Mobile based email platform that pre-dated the Blackberry equivalent technology, designed the CAPlink EDI network for the automotive industry in conjunction with the Capricorn Society, co-founding the CLANG online car service portal and in more recent times leading the Appstablishment software team to create award-winning mobile App's for business collaboration. He is the founder and Director of Cirralto who have been instrumental in providing the online portal to utilise Motopia's conversion software to provide a global online service.

He has had no other directorships of listed corporations in the last three years.

Mr Shaun Melville
(Non-Executive Director)

Shaun Melville is a successful entrepreneur with significant experience at an executive level. He has worked as an IT consultant for Experis who are part of a group with over 3,900 offices globally. Shaun was in charge of developing key relationships with Tier 1 and Tier 2 IT consultancies, vendors, and end users. Shaun has also worked as an IT Consultant/Head Hunter in London where he was the subject matter expert on LinkedIn. He was one of the first users of LinkedIn in Australia, and over 10 years he has developed a robust network of IT specialists numbering in the millions.

He is currently an Executive Director of Raptor Global Corporation Ltd and a Non-Executive Director of Betty Tran International Ltd.

He has had no other directorships of listed corporations in the last three years.

Mr Michael Mulvey
(Executive Director – Appointed 12 July 2017)
(Chief Executive Officer – Appointed 17 May 2017)

Michael Mulvey has had an extremely impressive career in the technology sector with significant senior leadership experience. He has a strong track record of achieving value creating growth through innovation and disciplined strategies. Bringing a wealth of senior executive experience in key management positions across a wide range of companies, Michael joins the Company with a strong sales, management development and growth ethos bringing more than 30 years of technology industry leadership across New Zealand, Australia, and Asia.

Michael has enjoyed successful careers at Nokia and Tait Communications in senior positions across most aspects of Executive Management and has extensive industry knowledge across many technology fields and industry verticals. Michael joined Nokia in 1992 and quickly rose through the ranks to Managing Director for Nokia New Zealand after which he was promoted to the role of Managing Director of Nokia Hong Kong Limited. During this time he drove strong and rapid growth across all aspects of the addressable market. After a period of time successfully establishing and growing personal business interests in the development of global wine production and export business, Michael re-entered the technology world in 2012 and joined Tait Communications as Regional Sales Manager of Asia Pacific. He was instrumental in successfully changing the way that Tait approached the market by opening up channel sales and restructuring the approach to direct sales. He held this role until late 2016.

He has had no other directorships of listed corporations in the last three years.

Company Secretary
Mr Justyn Stedwell

Mr Stedwell has completed a Bachelor of Business & Commerce (Management & Economics) at Monash University, a Graduate Diploma of Accounting at Deakin University, a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia and a Graduate Certificate of Applied Finance with Kaplan Professional.

Justyn has over eight years' experience acting as a Company Secretary of ASX listed companies in a wide range of industries. He is currently also Company Secretary of ASX listed companies Axxis Technology Group Limited (ASX:AYG), Rhinomed Limited (ASX:RNO) Imugene Limited (ASX:IMU), Australian Natural Proteins Limited (ASX:AYB), Rectifier Technologies Limited (ASX:RFT), and Lanka Graphite Limited (ASX:LGR). He was previously the Company Secretary of Kazakhstan Potash Corporation Limited (ASX:KPC).

Directors' Report (cont….)

Directors' Interest

The relevant interest of each current director in the shares and options issued by the companies within the consolidated entity and other related body corporate, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

2017 **Ordinary shares**	Balance at the start of the year	Received as part of remuneration	Additions	Disposals /other	Balance at the end of the year
Directors:					
Mr Stephen Dale	150,000,000	-	-	(148,500,000)[1]	1,500,000
Mr Marcus L'Estrange	497,442,308	-	-	(492,467,884)[1]	4,974,424[2]
Mr Adrian Floate (Executive director, appointed 10 November 2016)	-	-	-	-	-[3]
Mr Shaun Melville	497,442,308	-	-	(492,467,884)[1]	4,974,424[4]
Mr Michael Mulvey (Executive director, appointed 12 July 2017)	-	-	-	-	-
Key Management Personnel:					
Mr Justyn Stedwell	-	-	-	-	-

[1] Consolidation of ordinary fully paid shares on the basis of 100 for 1. Refer to note 18 contributed equity.

[2] Subsequent to the balance at year end, Marcus L'Estrange received 31,185,976 shares acquired by Raptor Global Corporation Ltd issued on the 7 September 2017 at a deemed issue price of $0.04 per share and in consideration for the acquisition of 603,125 Cirralto Business Services Pty Ltd vendor shares.

[3] Subsequent to the balance at year end, Adrian Floate received 38,103,949 shares acquired by Rare Air Nominees Pty Ltd issued on the 7 September 2017 for a deemed issue price of $0.04 per share and in consideration for the acquisition of 736,915 Cirralto Business Services Pty Ltd vendor shares.

[4] Subsequent to the balance at year end, Shaun Melville received 31,185,976 shares acquired by Raptor Global Corporation Ltd issued on the 7 September 2017 for a deemed issue price of $0.04 per share and in consideration for the acquisition of 603,125 Cirralto Business Services Pty Ltd vendor shares. In addition 14,080 shares were acquired on the market for $0.038 per share.

2016 **Ordinary shares**	Balance at the start of the year	Received as part of remuneration	Additions	Disposals /other	Balance at the end of the year
Directors:					
Mr Stephen Dale	150,000,000	-	-	-	150,000,000
Mr Marcus L'Estrange	397,322,011	-	100,120,297	-	497,442,308
Mr Adrian Floate	-	-	-	-	-
Mr Shaun Melville	397,322,011	-	100,120,297	-	497,442,308
Key Management Personnel:					
Mr Justyn Stedwell	-	-	-	-	-

Dividends

The Company did not pay any dividends during the financial year (2016: nil) . The Directors do not recommend the payment of a dividend in respect of the 2017 financial year.

Principal Activities

The economic entity's principal activities in the course of the financial year were the investments made in technology assets that enable modernization of business IT systems via conversion, migration, and management of server based legacy data and systems to the cloud.

During the year, approximately $1.15m was spent in developing the Company's 2SQL and MU2 data migration technology which will be utilised with Cirralto's know how and Flashconvert technology to place the Company as the leading cloud conversion PaaS (Platform as a Service) provider. This expenditure was written off during the year due to the uncertainty over the completion of the acquisition of Cirralto and the generation of profits by the technology.

Directors' Report (cont….)

Review of Operations

The consolidated net loss for the year after income tax attributable to members of the parent entity amounted to $1,938,065 (2016 loss: $1,773,798) which includes a total impairment expenses of $66,375 (2016: $626,892) for impairment of intangible assets, investment, and loan receivables (see note 5b). The Review of Operations is set out on page 2.

Matters subsequent to the end of the financial year

The following events occurred after reporting date and consequently have not been brought to account at 30 June 2017:

Capital Raise

On the 31 July 2017, the company has issued 10,800,000 shares for $0.035 per share in relation to a private capital raising placement raising a total of $378,000. A further 100,000 shares were issued for $0.10 per share in relation to consideration for fees payable.

Rights Issue

The Company announced a 3 for 4 non-renounceable pro-rata rights issue on 1 August 2017 for a maximum of 62,368,978 shares with the intention of using the net proceeds from the offer for working capital purposes and to increase the Company's revenue generation capabilities. The offer closed on 31 August 2017 and the Company advised that it has received applications from shareholders for 11,304,460 shares at $0.035 per share raising $395,656. The issue of these shares pursuant to the rights issue was completed on 5 September 2017. The resulting shortfall from the rights issue is 51,064,809 shares and the directors of the Company reserve the right to place shortfall shares at their discretion of which 27,754,284 shares were issued on the 7 September 2017 at an issue price of $0.035 per share.

Acquisition of Cirralto Business Services Pty Ltd ("Cirralto")

The acquisition of Cirralto has been completed on 7 September 2017. Cirralto is a technology solutions specialist that provides technology enablement services to customers wishing to fulfil their digital and eCommerce ambitions to better compete in the global marketplace, access new, non-traditional markets and acquire new customers as well as the owner of the Flashconvert technology solution. The acquisition provides the Company with a strong foundation from which to launch its combined business modernisation technology platform as a service (PaaS) offering to the SMB and SME business segment.

The acquisition of Cirralto included the following transactions:

1. The Company issued 132,500,000 shares at a deemed price of $0.04 per share in the Company to the vendors as consideration for the acquisition of 100% of issued capital of Cirralto; and
2. 69,289,925 of the Consideration Shares have been issued to Related Party Vendors while the remainder of the Consideration Shares have been issued to unrelated vendors. Rare Air Nominees Pty Ltd, a related party of Mr Adrian Floate, have received 38,103,949 Consideration Shares while Raptor Global Corporation Ltd, a related party of Mr Marcus L'Estrange and Mr Shaun Melville, have received 31,185,976 Consideration Shares.

Share Options

On 7 September 2017, the Company issued 27,000,000 options to Company Director Mike Mulvey and Adrian Floate as approved by shareholders on 30 June 2017. Each option will entitle the holder to subscribe for one share in the Company and will expire on 30 June 2022. The options will be exercisable at an exercise price of $0.045 at any time on or before the expiry date subject to the achievement of the vesting conditions. 13,500,000 options will vest when the Company achieves revenue of more than $2,000,000 in any 12 month period in the first 24 months following the acquisition of Cirralto. A further 13,500,000 options will vest when the Company achieves revenue of more than $6,000,000 in any 12 month period in the first 36 months following the acquisition of Cirralto.

Likely developments and expected results of operations

The likely developments in the economic entity's operations, to the extent that such matters can be commented upon, are covered in Review of Operations.

Environmental regulation

The group is currently not subject to any significant environmental regulation.

Significant changes in the state of affairs

The Company has completed the acquisition of Cirralto on 7 September 2017 and poised to be the leading cloud conversion PaaS (Platform as a Service) provider. The Company also continues to raise capital for future investment opportunities. Refer review of operations for further details.

Directors' Report (cont….)

Share Options

Unissued Shares

At the date of this report, unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number under Option
30 June 2022	$0.045	27,000,000
		27,000,000

There were no further shares in Motopia Limited issued or exercised up to the date of this report.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company held an insurance policy to indemnify Directors and Officers against certain liabilities incurred as a Director or Officer, including costs and expenses associated in successfully defending legal proceedings. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the Directors or Officers of the Company or any related body corporate against any liability incurred as such a Director or Officer. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of premium.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as auditor.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Meetings of Directors

The following table sets out the number of Directors' Meetings held during the financial year and the number of meetings attended by each Director (while they were a Director).

During the financial year, 6 Board meetings were held. During the year there were no committees of the Board.

	Board Meetings	
Directors:	Number Eligible to Attend	Number Attended
Mr Stephen Dale	6	6
Mr Marcus L'Estrange	6	6
Mr Adrian Floate	6	6
Mr Shaun Melville	6	6
Mr Michael Mulvey (Appointed 12 July 2017)	0	0

Auditor

In accordance with the provisions of the *Corporations Act 2001*, the Company's auditors, BDO East Coast Partnership, continue in office.

Non-audit Services

The auditors did not perform any other services during the financial year ended 30 June 2017.

The following fees were paid / payable to the external auditors.

Audit Services	**2017**	**2016**
	$	**$**
Audit and review of financial statements	49,140	51,025

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2017 has been received and can be found on page 13.

Remuneration Report (audited)

The directors are pleased to present the 2017 remuneration report which sets out remuneration information for Motopia Limited's non-executive directors, executive directors and other key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

The report contains the following sections:

(a) Directors and key management personnel disclosed in this report

(b) Use of remuneration consultants

(c) Non-Executive and Executive remuneration policy and framework

(d) Relationship between remuneration and Motopia Limited's performance

(e) Voting and comments made at the company's 2016 Annual General Meeting

(f) Details of remuneration

(g) Service agreements

(a) Directors and key management personnel disclosed in this report

Executive Directors	
Mr Michael Mulvey	Executive Director (appointed 12 July 2017) Chief Executive Officer (appointed 17 May 2017)
Mr Adrian Floate	Executive Director (appointed 10 November 2016. Previously Non-Executive Director)
Non-Executive Directors	
Mr Marcus L'Estrange	Chairman Non-Executive Director
Mr Stephen Dale	Non-Executive Director
Mr Shaun Melville	Non-Executive Director
Other key Management Personnel	
Mr Justyn Stedwell	Company Secretary

(b) Use of remuneration consultants

Motopia Limited did not use a remuneration consultant during the current financial year.

(c) Non-Executive and Executive remuneration policy and framework

In determining non-executive and executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent
- aligned to the company's strategic and business objectives and the creation of shareholder value transparent, and
- acceptable to shareholders.

The executive remuneration framework has two components:

- Primary benefits – salary/fees and bonuses
- Post-employment benefits including superannuation.

Equity including share options was granted as performance bonuses and in lieu of services.

Other benefits include additional consulting fees.

Directors' Report (cont….)

Remuneration Policy

The remuneration of all Executives and Non-executive Directors, Officers and Employees of the Company is determined by the Board.

The Company is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive and consistent with best practice including the interests of shareholders. Where possible/relevant remuneration packages are based on fixed and variable components determined by the Executives' position, experience and performance and may be satisfied via cash or equity.

Non-executive Directors are remunerated out of the maximum aggregated amount approved by shareholders and at a level that is consistent with industry standards. Non-executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable, other than statutory superannuation, if applicable.

(d) Relationship between remuneration and Motopia Limited's performance

Remuneration Policy versus Company Financial Performance

The Company's Remuneration Policy is not directly based on performance, rather on industry practice.

The Company's primary objective was developing cloud service migration applications.

Performance-based Remuneration

The purpose of a performance-based bonus is to reward individual and team based on performance in line with Company objectives. Consequently, performance-based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Company. This is regularly measured by Key Performance Indicators (KPIs).

The Company uses a number of KPIs to determine achievement, depending on the role of the Executive being assessed.

These include:

- successful contract negotiations
- successful revenue generation
- achievement of project milestones within budget and on time

In the current period no performance based remuneration was awarded by the Company.

Company Performance	2017 $	2016 $	2015 $	2014 $	2013 $
Revenue	37,955	6,000	40,000	-	20,769
Net loss before tax	(1,938,065)	(1,773,798)	(744,568)	(1,671,354)	(706,907)
Net loss after tax	(1,938,065)	(1,773,798)	(744,568)	(1,671,354)	(706,907)
Key management remuneration	189,500	162,000	154,703	173,367	286,516

Share Performance	2017 C	2016 C	2015 C	2014 C	2013 C
Share price at the start of year	0.01	0.01	0.01	0.01	0.01
Share price at the end of year	0.04	0.01	0.01	0.01	0.01
Dividend	-	-	-	-	-
Basic earnings per share	(0.03)	(0.03)	(0.02)	(0.01)	(0.12)
Diluted earnings per share	(0.03)	(0.03)	(0.02)	(0.01)	(0.12)

(e) Voting and comments made at the Company's 2016 Annual General Meeting

The Company did not receive any specific feedback at the AGM or throughout 2016 on its remuneration practices. The Company received 88.8% of 'for' votes in relation to its remuneration report for the year ended 30 June 2016.

Directors' Report (cont….)

(f) Details of remuneration

The following tables show details of the remuneration received by the directors and the key management personnel of the group for the current financial year. All remuneration amounts are fixed and are not linked to performance.

Compensation of Key Management Personnel – 2017

	Short-term benefits		Post-employment benefits	Share-based payments	
	Salary or Base Fees $	Other fees $	Superannuation Contributions $	Equity-settled $	Total $
Directors					
Mr Stephen Dale	30,000	-	-	-	30,000
Mr Marcus L'Estrange	36,000	-	-	-	36,000
Mr Adrian Floate (Executive director, appointed 10 November 2016)	175,653 [1]	-	-	-	175,653
Mr Shaun Melville	30,000	-	-	-	30,000
Mr Michael Mulvey (Executive director, appointed 12 July 2017)	57,500 [2]	-	-	-	57,500
Executives					
Mr Justyn Stedwell	36,000	-	-	-	36,000
	365,153	-	-	-	**365,153**

[1] Mr Adrian Floate received a total of $107,406 in additional consulting fees through related parties (refer to note 20)
[2] Fees paid for services provided as Chief Executive Officer since appointed on 17 May 2017

The following tables show details of the remuneration received by the directors and the key management personnel of the group for the prior financial year.

Compensation of Key Management Personnel – 2016

	Short-term benefits		Post-employment benefits	Share-based payments	
	Salary or Base Fees $	Other fees $	Superannuation Contributions $	Equity-settled $	Total $
Directors					
Mr Stephen Dale	30,000	-	-	-	30,000
Mr Marcus L'Estrange	36,000	-	-	-	36,000
Mr Adrian Floate	30,000	-	-	-	30,000
Mr Shaun Melville	30,000	-	-	-	30,000
Executives					
Mr Justyn Stedwell	36,000	-	-	-	36,000
	162,000	**-**	**-**	**-**	**162,000**

Other transactions with key management personnel and their related parties

During the financial year, related interests of Mr Marcus L'Estrange received a total of $136,903 (2016: $190,581) in additional consulting fees. Mr Adrian Floate received a total of $983,650 (2016: $379,064) in additional consulting fees. Mr Shaun Melville received a total of $136,903 (2016: $190,581) in additional consulting fees.

Refer to note 20 for further details.

Options Granted as part of Remuneration

No options were granted to any Directors and Executives in the financial year.

(g) Service agreements

The following directors and Senior Executives were under contract at 30 June 2017:

	Title	Agreement Commenced	Details	Duration	Notice Required
Directors					
Mr Stephen Dale	Non-Executive Director	5 April 2014	Director's fee of $2,500 per month	No Fixed Term	No Notice Period
Mr Marcus L'Estrange	Non-Executive Director, Chairman	11 November 2014, 10 February 2015	Director's fee of $3,000 per month	No Fixed Term	No Notice Period
Mr Adrian Floate	Executive Director	10 November 2016	Fixed fee of $22,812 per month	No Fixed Term	No Notice Period
Mr Shaun Melville	Non-Executive Director	29 June 2015	Director's fee of $2,500 per month	No Fixed Term	No Notice Period
Mr Michael Mulvey	Executive Director	12 July 2017	Salaries of $5,750 per week	No Fixed Term	No Notice Period
Executives					
Mr Justyn Stedwell	Company Secretary	30 October 2009	Secretary fee of $3,000 per month	No Fixed Term	3 months

End of Remuneration Report (Audited)

Signed in accordance with the resolution of the Board of Directors.

M. L'Estrange

Marcus L'Estrange

Chairman

29 September 2017

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Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

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

As lead auditor of Motopia Limited for the year ended 30 June 2017, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Richard Dean
Partner

BDO East Coast Partnership

Melbourne, 29 September 2017

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of Corporate Governance. Where deeded appropriately, the Company will follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement.

The Company's Corporate Governance Statement is available on the Company's website at www.motopia.com.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Revenue from continuing operations	4	37,955	6,000
Other Income	4	309,901	114
Employee & directors benefits expense	5a	(365,153)	(162,000)
Depreciation and amortisation expense	5b	(137,008)	(110,925)
Impairment of assets	5b	(66,375)	(626,892)
Consulting fees	5c	(1,200,372)	(555,944)
Legal and other professional fees		(198,288)	(117,682)
Regulatory listing fees		(45,912)	(45,297)
Occupancy expenses		(45,725)	(11,504)
Other expenses		(197,354)	(147,842)
Finance costs		(29,734)	(1,826)
Loss before income tax from continuing operations		**(1,938,065)**	**(1,773,798)**
Income tax expense	7	-	-
Loss after income tax from continuing operations		**(1,938,065)**	**(1,773,798)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		**(1,938,065)**	**(1,773,798)**
Loss for the year is attributable to:			
- members of the parent entity		**(1,938,065)**	**(1,773,798)**
		(1,938,065)	**(1,773,798)**
Total comprehensive loss for the year is attributable to:			
- members of the parent entity		**(1,938,065)**	**(1,773,798)**
		(1,938,065)	**(1,773,798)**
Earnings per share ($ per share)			
- Basic loss per share	8	(0.0281)	(0.0321)
- Diluted loss per share	8	(0.0281)	(0.0321)

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 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	9	4,048	71,744
Trade and other receivables	10	19,147	36,454
Other current assets	11	6,274	11,609
		29,469	119,807
Assets held for sale	12	60,000	-
Total current assets		89,469	119,807
Non-current assets			
Intangible assets	15	174,764	438,147
Total non-current assets		174,764	438,147
Total assets		**264,233**	**557,954**
Liabilities			
Current liabilities			
Trade and other payables	16	1,225,692	287,230
Other loans		9,326	-
Convertible notes	17	444,652	-
Total current liabilities		1,679,670	287,230
Non-current liabilities			
Other loans		-	2,015
Total non-current liabilities		-	2,015
Total liabilities		**1,679,670**	**289,245**
Net (liabilities)/assets		**(1,415,437)**	**268,709**
Equity			
Contributed equity	18	45,400,961	45,147,042
Accumulated losses		(46,816,398)	(44,878,333)
Total (deficiency)/equity		**(1,415,437)**	**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 YEAR ENDED 30 JUNE 2017

	Consolidated		
	Contributed Equity $	Accumulated Losses $	Total (Deficiency)/ Equity $
Balance as at 1 July 2016	**45,147,042**	**(44,878,333)**	**268,709**
Loss for the year	-	(1,938,065)	**(1,938,065)**
Total Comprehensive loss for the year	-	(1,938,065)	**(1,938,065)**
Transactions with owners in their capacity as owners:			
Issue of share capital	276,000	-	**276,000**
Transactions costs related to share issue	(22,081)	-	**(22,081)**
Balance as at 30 June 2017	**45,400,961**	**(46,816,398)**	**(1,415,437)**
Balance as at 1 July 2015	**44,072,718**	**(43,104,535)**	**968,183**
Loss for the year	-	(1,773,798)	**(1,773,798)**
Total Comprehensive loss for the year	-	(1,773,798)	**(1,773,798)**
Transactions with owners in their capacity as owners:			
Issue of share capital	1,165,879	-	1,165,879
Transactions costs related to share issue	(91,555)	-	(91,555)
Balance as at 30 June 2016	**45,147,042**	**(44,878,333)**	**268,709**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		48,350	-
R&D Tax Refund		309,887	-
Interest received		14	114
Payments to suppliers and employees		(1,108,464)	(869,466)
Bank charges and interest paid		(713)	(137)
Net cash used in operating activities	22	(750,926)	(869,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans extended		-	75
Acquisition of non-current assets		-	(175,400)
Net cash used in investing activities		-	(175,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from other loans		7,311	-
Proceeds from issue of shares		253,919	1,065,167
Proceeds from convertible shares		422,000	-
Net cash provided by financing activities		683,230	1,065,167
Net (decrease)/increase in cash held		(67,696)	20,353
Cash at beginning of financial year		71,744	51,391
Cash at end of financial year	9	4,048	71,744

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1 Corporate Information

The financial report of Motopia Limited ("the Company") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 30 September 2017.

Motopia Limited is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

Note 2 Statement of Significant Accounting Policies

a. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'). This financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Motopia is a for-profit entity for the purposes of preparing the financial statements. The financial report has also been prepared on a historical cost basis, except for available for sale financial assets and financial assets and liabilities at fair value through profit or loss, which have been measured at fair value.

The financial report is presented in Australian dollars.

b. Going concern

For the year ended 30 June 2017, the consolidated entity incurred a loss of $1,938,065 (2016: $1,773,798), had cash outflows from operating activities of $750,926 (2016: $869,489), and a net liability position of $1,415,437 (2016: net asset position of $268,709).

The ability of the consolidated entity to continue as a going concern is dependent on raising additional funds through a successful capital raising, 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.

Raptor Global Corporation Ltd, a related party entity, has supported the company in its capital raising 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 Raisings Activities

During the financial year ended 30 June 2017, the Company successfully completed capital raisings of $276,000 and issued convertible notes of $425,000. The Board have demonstrated a strong history of successful capital raisings, in conjunction with Raptor Global Corporation Ltd, and will be required to undertake additional capital raisings to meet future expansion and cash flow requirements. Subsequent to the end of the 2017 financial year, the Company has successfully raised further capital of approximately $1.7m from the issuance of 49,958,744 shares from private placement and rights issues activities. In addition, the Company reserves the right to place a further 23,310,525 shares, prior to 30 November 2017, from the shortfall from the rights issue at their discretion which may provide additional funds.

2. Research and Development ("R&D") Tax Concession

The Company successfully applied for the R&D tax concession for the 2016 financial year and has received a refund of $309,887 in October 2016. The Company is evaluating its eligibility for the concession for the 2017 financial year and is confident a claim in respect of 2017 will be available.

Note 2 Statement of Significant Accounting Policies (cont...)

b. Going concern (cont…)

3. 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 2018.

The directors are confident in the business plan and that when necessary 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 Company be unable to continue as a going concern and meet its debts as and when they fall due.

c. New, raised or Amending Accounting Standard Adopted

The Company 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.

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

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the financial performance or position of the Company.

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

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

AASB 2014-5: Amendments to Australian Accounting Standards arising from AASB 15 (applicable to annual reporting periods beginning on or after 1 January 2018)
The amendments make consequential amendments to various other accounting standards as a result of the new revenue standard.

AASB 2016-3: Amendments to Australian Accounting Standards - Clarifications to AASB 15 (applicable to annual reporting periods beginning on or after 1 January 2018).

As a result of implementation issues identified by the Transition Resource Group (TRG) for the new revenue standard, the AASB 2016-3 was issued to provide additional guidance and illustrative examples on identifying performance obligations, principal vs agent considerations and licensing. The amendments also include additional practical expedients on transition to AASB 15.

d. Basis of consolidation

The consolidated financial statements comprise the financial statements of Motopia Limited and its subsidiaries as at 30 June each year. Control is achieved where the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Note 2 Statement of Significant Accounting Policies (cont...)

d. Basis of consolidation (cont…)

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests not held by the Company are allocated their share of net profit after tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and are presented within equity in the Consolidated Statement of Financial Position, separately from parent shareholders' equity.

e. Operating segments

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the Board of Directors and the Executive Management Team (the chief operating decision makers).

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with any of the Company's other components) whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments, assess its performance and for which discrete financial information is available.

A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

f. Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity 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.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Consolidated Statement of Financial Position.

g. Trade and other receivables

Trade receivables, which generally have 14 - 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be considered doubtful.

Bad debts are written-off when identified as uncollectible.

h. Investments and other financial assets

Investments and other financial assets are measured at either fair value through profit or loss, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Note 2 Statement of Significant Accounting Policies (cont...)

h. Investments and other financial assets (cont….)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

i. Property, 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 diminishing balance basis to write off the net cost of each item of plant and equipment over their estimated useful lives.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised through profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss in the year the asset is derecognised.

j. Intangibles

Intangible assets acquired as part of a business combination, other than Goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Following initial recognition, intangible assets are subsequently measured at cost less any accumulated amortisation and any accumulated impairment. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment annually or whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in Profit or Loss when the asset is derecognised.

k. Trade and other payables

Trade payables and other payables are carried at amortised cost due to their short-term nature and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

l. Interest- bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

Note 2 Statement of Significant Accounting Policies (cont...)

l. Interest- bearing loans and borrowings (cont….)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in Profit or Loss when the liabilities are derecognised and as well as through the amortisation process.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

The fair value of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m. Share-based payment transactions

i. Equity settled transactions:

The Company provides benefits in the form of share-based payments to all employees. To date however, only key management personnel of the Company have benefited from this plan. These KMP's render services in exchange for shares or rights over shares (equity-settled transactions). There is currently one plan in place to provide these benefits:

- the Employee Share Option Plan (ESOP), which provides benefits to key management personnel.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value for options granted are determined by using the Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Motopia Limited (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting date has expired and
- the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The Profit or Loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 8).

Note 2 Statement of Significant Accounting Policies (cont...)

n. Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

o. Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognised:

i. Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

ii. Other income

Other income is recognised when it is received.

iii. Research and development tax refund

The research and development tax refund is not recognised until there is a reasonable assurance that the Company will comply with the conditions attaching to the refund and that the refund will be received.

iv. Service revenue

Revenue from rendering of services to customers is recognised upon delivery of the service to the customer. The revenue from services comprised of fees billed and is recognised to the extent that it is probable that the economic benefit will flow to the Company and that revenue can be reliably measured. The Company measures revenue at the fair value of the consideration received or receivable.

p. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Note 2 Statement of Significant Accounting Policies (cont...)

p. Income tax (cont…)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Motopia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2006.

The head entity, Motopia Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Company has applied the “separate tax payer within the group approach” in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

q. Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit/loss attributable to members of Motopia Limited, excluding any costs of servicing equity (other than ordinary shares) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share is calculated as net profit/loss attributable to members of Motopia Limited, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 2 Statement of Significant Accounting Policies (cont...)

s. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to continually make judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and Intangibles

The Company tests annually or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other intangibles have suffered any impairment, in accordance with the accounting policy stated in note (j) above. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

(ii) Estimation of useful lives of assets

Estimated useful lives of depreciable property, plant and equipment assets are reviewed on a regular basis and at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

t. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

u. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred and/or liabilities incurred by the acquirer. All acquisition costs are expensed as incurred to profit and loss.

On acquisition of a business, the Company assesses the financial assets acquired and liabilities assumed for appropriate classification in accordance with the contractual terms, economic conditions, the Company's accounting policies and other pertinent conditions in existence at the acquisition date.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets and liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 3 Financial risk management objectives and policies

The Company's principle financial instruments comprise receivables, payables, convertible notes and cash and short term deposits.

The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and assessments of market forecasts for interest rates. Aging analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for credit allowances, and future cash flow forecast projections.

Risk exposures and responses

Interest rate risk

The Company's exposure to market interest rate related primarily to the Company's cash deposits.

At reporting date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rates:

	Consolidated	
	2017	2016
	$	$
Cash & cash equivalents	4,048	71,744
Net	4,048	71,744

The directors have reviewed the Company's exposure to interest rate risk and do not consider it to be significantly impacted by sensitivity to interest rate movements.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Company's policy to securities its trade and other receivables.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The risks are regularly monitored.

In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant.

Fair value

The carrying value at the reporting date of financial assets and financial liabilities, such as receivables and payables, are assumed to approximate fair values due to their short term nature. For other financial assets, such as financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.

Note 3 Financial risk management objectives and policies (cont….)

The financial instruments recognised at fair value in the Consolidated Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets and liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3)

All financial instruments recognised at fair value at 30 June 2017 have been classified within Level 1.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 4 Revenue and other income

	Consolidated	
	2017	2016
	$	$
Revenue		
Revenue from the rendering of services	37,955	6,000
Other income		
Interest revenue	14	114
R&D tax refund	309,887	-
	309,901	114

Note 5 Expenses

		Consolidated	
		2017	2016
		$	$
5a	**Employee & Directors benefits expense**		
	Director & company secretary fees	365,153	162,000
5b	**Depreciation, amortisation & impairment expenses**		
	Depreciation	-	831
	Amortisation	137,008	110,094
	Impairment charges:		
	- Intangible assets	66,375	180,732
	- Investment	-	174,292
	- Loan receivables	-	271,868
	Total Amortisation & impairment charges	203,383	737,817
5c	**Consulting fees**		
	IT services	973,591	151,872
	Corporate & funding strategy services	217,190	404,022
	Other consulting services	9,591	50
		1,200,372	555,944

Note 6 Auditor's remuneration

	Consolidated 2017 $	2016 $
Remuneration of the auditor of the parent entity for:		
- Auditing and Reviewing the Financial Report and interim financial statements	49,140	51,025
	49,140	**51,025**

Note 7 Income tax expense

The Company has not recognised any deferred tax assets or liabilities in respect to the current year (2016: nil).

There are unrecognised deferred tax assets arising from tax losses. The benefit of losses is not brought to account as realisation is not currently regarded as probable. These losses will only be available for recoupment if:

(i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by the law; and

(iii) No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Tax consolidation

Motopia Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidation group from 1 July 2006 under the tax consolidation regime. Motopia Limited is the head entity of the consolidated group.

	Consolidated 2017 $	2016 $
Reconciliation between prima facie tax on loss from ordinary activities to statutory income tax expense:		
Loss before income tax expense from continuing operations	(1,938,065)	(1,773,798)
Prima facie tax (benefit) on loss from ordinary activities before income tax at 30% (2016: 30%)	(581,420)	(532,139)
Tax effect of:		
Add:		
Impairment of assets	19,913	188,067
Less:		
Non-assessable R&D tax refund	(92,966)	-
Losses carried forward not recognised	654,473	344,072
Income tax benefit/(expense)	-	-
The Directors estimate that the potential deferred tax asset in respect of tax losses not brought to account is:	5,429,022	4,774,549
A full assessment of the availability of these losses to the company has not been made.		

The tax losses identified above have been estimated on the basis of available information. It has not been determined if the company has met the continuity of ownership test to enable all or part of these losses to be utilised.

Note 8 Earnings per share

Basic earnings or loss per share are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings or loss per share amounts are calculated by dividing the net profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Note 8 Earnings per share (cont….)

Share options are considered to be anti-dilutive and not used in the calculation of diluted EPS.

	Consolidated	
	2017 $	2016 $
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Loss after income tax expense from continuing operations	(1,938,065)	(1,773,798)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS [1]	68,988,227	55,287,034
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS [1]	68,988,227	55,287,034
Basic loss per share	(0.0281)	(0.0321)
Diluted loss per share	(0.0281)	(0.0321)

[1] Adjusted for the consolidation of ordinary fully paid shares on the basis of 100 for 1 effective on 22 November 2016.

Note 9 Cash and cash equivalents

	Consolidated	
	2017 $	2016 $
Cash at bank and in hand	4,048	71,744
	4,048	71,744

Note 10 Trade and other receivables

	Consolidated	
	2017 $	2016 $
Trade receivables	-	6,600
Other receivables	19,147	29,854
	19,147	36,454

(a) Fair value and credit risk

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Company's policy to transfer (on-sell) receivables to special purpose entities.

(b) Interest rate risk

Detail regarding interest rate risk exposure is disclosed in Note 3.

Note 11 Other current assets

	Consolidated	
	2017 $	2016 $
Prepaid insurance	6,174	5,509
Prepaid legal fees	-	6,000
Other assets	100	100
	6,274	11,609

Note 12 Assets held for sale

	Consolidated 2017 $	2016 $
Assets held for sale	60,000	-
	60,000	-

In the 2017 financial year, the Company is finalising a sale agreement to dispose of the IP in Modac Group Pty Ltd ("Modac") to CU2 Global Pty Ltd, an associate of the Company. The Company has decided to dispose of the asset as it does not align with the Company's strategy with the acquisition of Cirralto. The carrying amount of the asset has been impaired to equal the expected sales proceeds of $60,000. The disposal is anticipated to be completed in the next 12 months. No revenue or expenses were incurred in relation to the IP during the 2017 financial year.

Note 13 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

	Country of Incorporation	Percentage Owned (%)* 2017 %	2016 %
Parent Entity:			
Motopia Limited	Australia		
Subsidiaries of Motopia Limited:			
ConvertU2 Technologies Pty Ltd	Australia	100%	100%
ConvertU2 Online Pty Ltd	Australia	100%	100%
2play Mobile Pty Ltd	Australia	0%[1]	100%
Pro Fantasy Sports Pty Ltd	Australia	0%[1]	100%
Lemon & Lime International Pty Ltd	Australia	100%	100%
Modac Group Pty Ltd	Australia	100%	100%

* Percentage of voting power is in proportion to ownership

[1] Entity was deregistered from 1 July 2016

Note 14 Investments accounted for using the equity method

Set out below are the material associates of the Company. All of the entities listed below have share capital consisting solely of ordinary shares:

		Country of Incorporation	Percentage Owned 2017 %	2016 %	Carrying Amount 2017 $	2016 $
CU2 Global Pty Ltd	(a)	Australia	27%	27%	-	-
					-	-

(a) CU2 Global Pty Ltd

CU2 Global Pty Ltd ("CU2G") has the worldwide exclusive rights to market and deliver the technology known as 2SQL and has previously announced Fujitsu had 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).

On 11 November 2014 Motopia gained control of CU2G with a holding of 85% (85 shares valued at $359,821) of the company. On 27th February 2015, the company sold 41 shares in CU2G in exchange for the 109,821,429 shares (valued at $109,821) issued for the initial acquisition in November 2014. Its shareholding in CU2G was further diluted when CU2G conducted a capital raising and issued additional shares to new shareholders, reducing Motopia's holding to 27.3% thus losing control of CU2G. The retained equity interest in CU2G allows Motopia to have a significant influence over CU2G hence the equity method is used to account for the investment in CU2G.

The directors do not believe sufficient revenue will be derived over the next three years and have impaired this asset.

Note 14 Investments accounted for using the equity method (cont….)

Investment in CU2G accounted for using the equity method	2017 $	2016 $
Opening balance	174,292	174,292
Less: Provision for impairment	(174,292)	(174,292)
Closing balance	-	-

Note 15 Intangible assets

		Consolidated 2017 $	 2016 $
Lemon & Lime platform – at cost	(a)	5,500	5,500
Less: Accumulated amortisation		(4,125)	(2,750)
Less: Provision for impairment		(1,375)	-
		-	2,750
ConvertU2Online platform – at cost	(b)	292,527	292,527
Less: Accumulated amortisation		(117,763)	(44,630)
		174,764	247,897
Modac IP – at cost	(c)	250,000	250,000
Less: Accumulated amortisation		(125,000)	(62,500)
Less: Provision for impairment		(65,000)	-
Less: Transfer to asset held for sale (note 12)		(60,000)	-
		-	187,500
Total intangibles		174,764	438,147

(a) Lemon & Lime platform

The directors do not believe sufficient revenue will be derived over the next three years and have fully impaired this asset in the financial year ended 30 June 2017.

(b) ConvertU2Online platform

Motopia's current proprietary platform technology is the ConvertU2Online platform which hosts 2SQL Microsoft Access to Sequel Server (SQL) migration technology. This is the first commercialisation product with an extremely large market size, both domestically and internationally. The platform enables the 2SQL migration technology to be deployed through the online portal www.convertU2online.com

The platform is recognised and measured as an intangible asset based on the development costs incurred. The directors have assessed the useful life of the asset as 4 years and have amortised the asset from 1 July 2015.

(c) Modac Group Pty Ltd (Modac) – IP

On 24 April 2015, the company gained control in Modac Group Pty Ltd ("Modac") by acquiring 100% of the shares in Modac through ConvertU2Online Pty Ltd ("CU2O"), a wholly owned subsidiary, for $250,000.

Modac is the Pacific licensee of iSpirer technology. Like 2SQL, iSpirer's technology enables customers to migrate from legacy database applications some of which include Oracle, DB2, FoxPro and Progress to SQL Server. The acquisition of iSpirer technology capabilities builds upon on the vision of Motopia to be Australia's best provider of legacy migration solutions and further cements Motopia's ambition to realise the full commercial potential of the 2SQL software.

The total consideration of $250,000 paid for the acquisition of Modac is recognized as the fair value of the IP in Modac. The directors have assessed the useful life of the asset as 4 years and have amortised the asset from 1 July 2015.

In the 2017 financial year, the Company is finalising a sale agreement to dispose of the Modac IP to CU2 Global Pty Ltd, an associate of the Company. The Company has decided to dispose of the asset as it does not align with the Company's strategy with the acquisition of Cirralto. The carrying amount of the asset has been impaired to equal the expected sales proceeds of $60,000. The disposal is anticipated to be completed in the next 12 months and therefore has been transferred to asset held for sale.

Note 15 Intangible assets (cont….)

Reconciliations

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

		Software	Trademarks & IP	Total
Consolidated		$	$	$
Balance at 30 June 2015		184,027	508,404	**692,431**
Acquisition	(a)	114,000	-	**114,000**
Amortisation		(47,380)	(62,714)	**(110,094)**
Impairment of assets		-	(258,190)	**(258,190)**
Balance at 30 June 2016		250,647	187,500	**438,147**
Amortisation		(74,508)	(62,500)	**(137,008)**
Impairment of assets		(1,375)	(65,000)	**(66,375)**
Transfer to asset held for sale (note 12)		-	(60,000)	**(60,000)**
Balance at 30 June 2017		174,764	-	**174,764**

(a) ConvertU2Online Platform

Motopia's current proprietary platform technology is the ConvertU2Online platform which enables the company to fully realise the commercial potential of the 2SQL technology and leverage the market trends to remove Microsoft Access databases from operating environments. The platform is recognised and measured as an intangible asset based on the development costs incurred.

Note 16 Trade and other payables

	Consolidated 2017	2016
	$	$
Current		
Unsecured liabilities:		
Trade payables	973,286	219,189
Sundry payables and accrued expenses	252,406	68,041
	1,225,692	287,230

Note 17 Convertible notes

		Consolidated 2017	2016
		$	$
Convertible Notes		425,000	-
Less: Transaction cost of notes issued		(3,000)	-
Add: Interest accrued		22,652	-
	(a)	444,652	-

a) The convertible notes have been issued with the following key terms:

1. A face value representing a principal amount of $25,000
2. Expiry 12 months from the date of issue
3. Interest from the issue date at 12% per annum
4. 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) of the Company's shares prior to date for payment, subject to any required shareholder approvals being obtained
5. Subject to the Company obtaining shareholder approval, each note is fully convertible into ordinary shares
6. Noteholders will receive free attaching options
7. Non-transferable
8. On conversion, shares equivalent to the value of the convertible notes will be issued to Noteholders at a 25% discount to the 10 day VWAP of the Company's shares.
9. The notes are unsecured. The Noteholders shall rank as an unsecured general creditor of the Company
10. The Company may repay all of the principal amount outstanding and redeem the notes at any time prior to the expiry date

Note 18 Contributed equity

	Consolidated 2017 $	Consolidated 2016 $
Ordinary shares	45,400,961	45,147,042
	45,400,961	**45,147,042**

Ordinary shares

Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and moneys paid up on shares held. The fully paid ordinary shares have no par value. Ordinary shareholders are entitled to one vote, either in person or by proxy at a meeting of the Company.

Ordinary shares	2017		2016	
	No. Shares	$	No. Shares	$
Opening balance	**6,535,843,372**	**45,147,042**	**4,897,866,370**	**44,072,718**
Consolidation of shares (100:1)	(6,470,484,734)[1]	-	-	-
Rights issue and share placements	6,900,000	276,000	1,616,549,002	1,144,451
Option exercised	-	-	21,428,000	21,428
Transactions costs related to share issue	-	(22,081)	-	(91,555)
Closing balance	**72,258,638**	**45,400,961**	**6,535,843,372**	**45,147,042**

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

The gearing ratios at 30 June 2017 and 30 June 2016 were as follows:

	Consolidated 2017 $	Consolidated 2016 $
Total borrowings	1,679,670	289,245
Less: cash and cash equivalents	(4,048)	(71,744)
Net debt	1,675,622	217,501
Total equity	(1,415,437)	268,709
Gearing ratio	(118%)	81%

Note 19 Segment reporting

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.

Note 20 Related party disclosure

Director and key management personnel related entities

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.
Raptor Global Corporations Ltd	Raptor Global Corporations 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 Software Group Pty Ltd	Appstablishment Software Group Pty Ltd ("Appstablishment") is a related party entity. Mr Adrian Floate is director of both Motopia Limited and Appstablishment.
Appstablishment Pty Ltd	Appstablishment Pty Ltd ("Appstablishment PL") is a related party entity. Mr Adrian Floate is director of both Motopia Limited and Appstablishment PL.
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 a major shareholder of 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.

Share Issued to Related Entities

No shares in Motopia Ltd were issued to directors and key management personnel of related entities during the year. Movements in shareholding of directors and key management personnel and their related parties are set out in the directors' interest section in the directors' report and note 21.

Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in the remuneration report in the directors' report and note 21.

Transactions with related parties

During the year, services have been provided by or to directors' related entities as follows:

Director	Entity	Nature	2017 $	2016 $
<u>Services provided by directors' related entities</u>				
Mr Marcus L'Estrange	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	136,903	190,581
Mr Shaun Melville	Raptor Global Corporation Ltd	Consulting services & Capital raising fees	136,903	190,581
Mr Adrian Floate	Anthem Software Pty Ltd	IT services	113,650	126,924
	Appstablishment Pty Ltd	IT services	870,000	-
	Appstablishment Software Group Pty Ltd	IT services	-	114,000
	Floating Assets Trust	Consulting fees	107,406	138,140
<u>Services provided to directors' related entities</u>				
Mr Adrian Floate	Cirralto Business Services Pty Ltd	IT services	37,955	6,000

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.

Note 20 Related party disclosure (cont....)

Parent entity

Motopia Limited is the ultimate parent entity.

During the year, the parent entity provided loan funds to its subsidiaries of $1,637,059 (2016: $667,781) which consisted of net cash funding of $1,637,059 (2016: $667,781). These loans carry no interest charge and have no set date for repayment.

Subsidiaries & associates

Interests in subsidiaries and associates are set out in note 13 and 14.

Note 21 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:

	Consolidated 2017 $	Consolidated 2016 $
Short-term employee benefits:		
Cash salary, fees and short-term compensation absences	189,500	162,000
	189,500	**162,000**

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2017 Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals /other	Balance at the end of the year
Directors:					
Mr Stephen Dale	150,000,000	-	-	(148,500,000) [1]	1,500,000
Mr Marcus L'Estrange	497,442,308	-	-	(492,467,884) [1]	4,974,424
Mr Adrian Floate	-	-	-	-	-
Mr Shaun Melville	497,442,308	-	-	(492,467,884) [1]	4,974,424
Mr Michael Mulvey (appointed 12 July 2017)	-	-	-	-	-
Key Management Personnel:					
Mr Justyn Stedwell	-	-	-	-	-

[1] Consolidation of ordinary fully paid shares on the basis of 100 for 1. Refer to note 18.

2016 Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals /other	Balance at the end of the year
Directors:					
Mr Stephen Dale	150,000,000	-	-	-	150,000,000
Mr Marcus L'Estrange	397,322,011	-	100,120,297	-	497,442,308
Mr Adrian Floate	-	-	-	-	-
Mr Shaun Melville	397,322,011	-	100,120,297	-	497,442,308
Key Management Personnel:					
Mr Justyn Stedwell	-	-	-	-	-

Option holding

No options over ordinary shares in the parent entity are held during the financial year by any director and other members of key management personnel of the Company, including their personal related parties.

There were no options granted, exercised or shares issued to directors during the 2017 financial year.

Note 22 Cash flow information

	Consolidated 2017 $	Consolidated 2016 $
Reconciliation of Cash Flow from Operations with Loss After Income Tax		
Loss after Income Tax	(1,938,065)	(1,773,798)
Cash flows excluded from loss attributable to operating activities		
Non-cash Flows in Loss		
Depreciation & impairment charges	203,383	737,817
Settlement fee	10,000	-
Interest expenses	22,652	-
Changes in assets and liabilities:		
Decrease in trade and term receivables	17,307	3,790
Decrease in other current assets	5,335	1,375
Increase in trade payables and accruals	928,462	161,327
Net cash used in operating activities	(750,926)	(869,489)

Note 23 Parent entity information

As at and throughout, the financial year ended 30 June 2017, the parent company of the consolidated entity was Motopia Limited. The results and financial position of the parent entity are detailed below:

Statement of profit or loss and other comprehensive income	2017 $	2016 $
Loss after income tax	1,736,808	1,826,423
Total comprehensive income	1,736,808	1,826,423

Statement of financial position	2017 $	2016 $
Current assets	28,354	127,145
Non-current assets	100	2,850
Total assets	**28,454**	**129,995**
Current liabilities	1,668,405	287,057
Non-current liabilities	-	-
Total liabilities	**1,668,405**	**287,057**
Net liabilities	**(1,639,951)**	**(157,062)**
Equity		
Contributed equity	45,400,961	45,147,042
Accumulated losses	(47,040,912)	(45,304,104)
Total deficiency	**(1,639,951)**	**(157,062)**

Note 24 Events occurring after the reporting date

Capital raise

On the 31 July 2017, the company has issued 10,800,000 shares for $0.035 per share in relation to a private capital raising placement raising a total of $378,000. A further 100,000 shares were issued for $0.10 per share in relation to consideration for fees payable.

Note 24 Events occurring after the reporting date (cont…)

Rights issue

The Company announced a 3 for 4 non-renounceable pro-rata rights issue on 1 August 2017 for a maximum of 62,368,978 shares with the intention of using the net proceeds from the offer for working capital purposes and to increase Cirralto's revenue generation capabilities. The offer closed on 31 August 2017 and the Company advised that it has received applications from shareholders for 11,304,460 shares at $0.035 per share raising $395,656. The issue of these shares pursuant to the rights issue was completed on 5 September 2017. The resulting shortfall from the rights issue is 51,064,809 shares and the directors of the Company reserve the right to place shortfall shares at their discretion of which 27,754,284 shares were issued on the 7 September 2017 at an issue price of $0.035per share.

Share options

On 7 September 2017, the Company issued 27,000,000 options to Company Director Mike Mulvey and Adrian Floate as approved by shareholders on 30 June 2017. Each option will entitle the holder to subscribe for one share in the Company and will expire on 30 June 2022. The options will be exercisable at an exercise price of $0.045 at any time on or before the expiry date subject to the achievement of the vesting conditions. 13,500,000 options will vest when the Company achieves revenue of more than $2,000,000 in any 12 month period in the first 24 months following the acquisition of Cirralto. A further 13,500,000 options will vest when the Company achieves revenue of more than $6,000,000 in any 12 month period in the first 36 months following the acquisition of Cirralto.

Acquisition of Cirralto Business Services Pty Ltd ("Cirralto")

The acquisition of Cirralto has been completed on 7 September 2017. Cirralto is a technology solutions specialist that provides technology enablement services to customers wishing to fulfil their digital and eCommerce ambitions to better compete in the global marketplace, access new, non-traditional markets and acquire new customers as well as the owner of the Flashconvert technology solution. The acquisition provides the Company with a strong foundation from which to launch its combined business modernisation technology platform as a service (PaaS) offering to the SMB and SME business segment.

The acquisition of Cirralto included the following transactions:

1. The Company issued 132,500,000 shares at a deemed price of $0.04 per share in the Company to the vendors as consideration for the acquisition of 100% of issued capital of Cirralto; and
2. 69,289,925 of the Consideration Shares will be issued to Related Party Vendors while the remainder of the Consideration Shares will be issued to unrelated vendors. Rare Air Nominees Pty Ltd, a related party of Mr Adrian Floate, will receive 38,103,949 Consideration Shares while Raptor Global Corporation Ltd, a related party of Mr Marcus L'Estrange and Mr Shaun Melville, will receive 31,185,976 Consideration Shares.

Due to the proximity of the acquisition to the release of the financial statements, it is impractical at this stage to include other disclosures in relation to the business combination such as purchase price accounting including the fair value of net assets acquired, the goodwill and intangibles, the amount of revenue and profit or loss of Cirralto post acquisition due to the acquisition accounting not being finalised at the date of release of the 30 June 2017 annual financial report.

Note 25 Contingent liability

There are no contingent liabilities as at 30 June 2017.

DIRECTORS' DECLARATION

The directors of Motopia Limited declare that:

(a) in the directors' opinion the financial statements and notes and the Remuneration Report in the Directors' Report set out on pages 15 to 38 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 30 June 2017 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards and Corporations Regulations 2001 and other mandatory financial reporting requirements; and

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 2(a); and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Dated in Melbourne on 29 September 2017

M. L'Estrange

Marcus L'Estrange
Chairman

BDO

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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members Motopia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motopia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards 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 Group in accordance with 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 2(b) 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 Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Completeness and appropriateness of related party transactions

Key audit matter	How the matter was addressed in our audit
As disclosed in note 20 in the financial report the Group has entered into a large number of related party transactions. The manner of settlement and contractual terms of related party transactions may be different from those with independent third parties. The related party transactions may not be on an arm's length basis and can be more or less favourable than would otherwise have been determined. In particular, Motopia incurred expenditure in developing data migration technology of which $983,650 was provided by a related party entity. Failure to identify and appropriately disclose significant related party transactions may prevent the financial statements from giving a true and fair view of the state of affairs of the Group and the results of its operation.	Our procedures included: • Reviewing the Group structure and a list of names of all known related parties and any transactions with those parties during the period as prepared by management • Testing a sample of accounting records and contracts for material and unusual transactions or balances, such as loans to Directors' associated companies and individual parties • Reviewing the minutes of the Board of Directors and other meetings for material transactions authorised or disclosed • Making enquires of Directors regarding the development of the data migration technology, including reviewing reports submitted to the Board of Directors regarding the status of project milestones and objectives, to assess the services provided by related parties • Assessing the appropriateness of the related party disclosures

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 group 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 Group or to cease operations, or has 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_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in 9 to 12 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Motopia Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

BDO

Richard Dean
Partner

Melbourne, 29 September 2017

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by Australian Stock Exchange Limited and not shown elsewhere in the Annual Report is as follows. The information is at 28 September 2017.

Number of Holders of Equity Securities

254,717,382 fully paid ordinary shares are held by 1,491 individual shareholders. All ordinary shares carry one vote per share.

Distribution of Shareholders	Holders
Category (size of holding)	
1 – 1,000	711
1,001 – 5,000	226
5,001 – 10,000	106
10,001 – 100,000	262
100,001 – and over	186
	1,491

Unmarketable parcels: 1083

Unlisted Options

27,000,000 unlisted options with an exercise price of $0.045 per option are held by 2 individual shareholders.

Shareholder Information

20 Largest Shareholders – Ordinary Shares

Rank	Name	Units	% of Units
1.	RARE AIR NOMINEES PTY LTD	38,103,949	14.96
2.	RAPTOR GLOBAL CORPORATION LTD	31,185,976	12.24
3.	GOLDFIRE ENTERPRISES PTY LTD	14,985,714	5.88
4.	NORTHERN GRIFFIN PTY LTD	7,352,108	2.89
5.	ANDREW MANN	7,109,756	2.79
6.	MR MARK ANDREW LINNEY <M A LINNEY FAMILY A/C>	7,069,420	2.78
7.	PAULINE DEBORAH FLOATE <FERAL 55 SUPER FUND A/C>	6,075,610	2.39
8.	RAPTOR GLOBAL CORPORATION LTD	5,174,424	2.03
9.	LJR CONSTRUCTIONS PTY LTD	4,461,407	1.75
10.	GOLDFIRE ENTERPRISES PTY LTD	4,035,266	1.58
11.	JAKOB DANIEL LE ROUX + HALINA ESTELLA SELWYN-CROSS	3,571,429	1.40
12.	MR ANDREW MURRAY GREGOR	3,504,024	1.38
13.	HAY STREET PROPERTY PTY LTD <HAY STREET PROPERTY A/C>	3,231,707	1.27
14.	MR SHANE VIVIAN NALL	3,231,706	1.27
15.	YAMBALI PTY LTD <YAMBALI P/L SUPER FUND A/C>	2,857,394	1.12
16.	OPUS2 PTY LTD <JF & DE YOUNG SUPER FUND A/C>	2,679,707	1.05
17.	KOOPENATOR PTY LTD <SUPERSKOOP SMSF A/C>	2,598,215	1.02
18.	YAMBALI PTY LTD <LAURIE ZEAITER A/C>	2,594,850	1.02
19.	ROGUE INVESTMENTS PTY LTD	2,500,000	0.98
20.	LORNDELL NOMINEES PTY LTD <BOWMAN FAMILY A/C NO 2>	2,350,610	0.92
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		154,673,272	60.72
Total Remaining Holders Balance		**100,044,110**	**39.28**

Unquoted Equity Securities Holdings Greater than 20 per cent

Unlisted Options with an exercise price of $0.045 and an expiry date of 30 June 2022

Rank	Name	Units	% of Units
1.	FAAF PTY LTD	13,500,000	50.00
2.	MICHAEL MULVEY	13,500,000	50.00

Substantial Shareholders

Substantial shareholders in the company are set out below:

Rank	Name	Units	% of Units
1.	RARE AIR NOMINEES PTY LTD	38,103,949	14.96
2.	RAPTOR GLOBAL CORPORATION LTD	31,185,976	12.24
3.	GOLDFIRE ENTERPRISES PTY LTD	14,985,714	5.88

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

Shareholder Enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:

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

For change of address, change of name, consolidation of shareholdings, shareholders should contact the Share registry to obtain details of the procedure required for any of these changes.