



Cape Range Limited

ABN 43 009 289 481

2019 Annual Report

For the financial year ended 31 December 2019

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Cape Range Limited and its controlled entities
ABN 43 009 289 481

Corporate Information

Directors

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

Company Secretary

Mr Michael Higginson

Registered Office

29 Brookside Place
Lota Queensland 4179
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Principal Place of Business

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Auditors

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2 Park Street
Sydney NSW 2000
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Share Registry

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Directors' Report

The Board of Directors presents the following report on Cape Range Limited (**Company**) and its controlled entities (referred to hereafter as the "consolidated entity") for the financial year ended 31 December 2019.

1. Directors

The following persons were Directors of the consolidated entity during the financial year and up to the date of this report. Directors were in office for this entire period unless stated otherwise.

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

2. Company Secretary

Mr Higginson has been the Company Secretary since 4 March 2010. For details of Mr Higginson's experience refer below.

3. Principal activities

The principal activity of the consolidated entity during the financial year was to supply accounting and business intelligence software.

4. Dividends

No dividends have been declared or paid to shareholders at the date of this report.

5. Review of Operations and Financial Results

The loss after income tax for the reporting period was \$7,503,544 (2018: loss \$603,426). This loss included a one-off performance rights expense of \$7,650,000 as a consequence of the conversion of 11,250,000 performance rights. On admission of the Company to the official list of ASX on 28 November 2017, 20,000,000 performance rights were granted to the vendors of Biztrak. Conversion of those performance rights being subject to Biztrak achieving pre-determined EBITDA performance targets during the EBITDA Period, being 1 December 2017 to 31 December 2019. As a consequence of the better than expected trading results achieved during the second half of the 2019 financial year, the EBITDA for the period was \$1,108,255 which was in the performance rights target range of \$1,050,000 to \$1,149,999.99. Therefore, 11,250,000 performance rights will be converted into ordinary fully paid shares on or before 30 April 2020.

For the purpose of recording the performance rights expense in the 31 December 2019 financial statements, the 11,250,000 shares have been valued at \$0.68 per share being the Company's closing share price on 31 December 2019.

As announced on 30 October 2019, the consolidated entity acquired for MYR900,000 (approximately \$315,000) a windows-based Warehouse Management Software and was contracted by GM Limited (a company based in Hong Kong) to develop a cloud-based Warehouse Management Software for a consideration of \$670,000.

The consolidated entity and GM Limited intend to form a logistics Warehouse Management Joint Venture for the purpose of jointly marketing, promoting, distributing and selling the logistics warehouse management software to the rapidly expanding supply chain software solutions market.

As a consequence of the Coronavirus pandemic and the dramatic social and economic changes occurring throughout the world and Australia, the Directors have re-assessed the recoverability of the consolidated entity's receivables and have determined that a provision for impairment of receivables totalling \$441,115 be made.

6. Significant changes in the state of affairs

There were no significant changes in the state of affairs throughout the year.

Directors Report (continued)

7. Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect the consolidated entity's operations or results in future years, or the consolidated entity's state of affairs in future years.

8. Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under the law of the Commonwealth, any State in Australia or under Malaysian law.

To the extent that any environmental regulations may have an incidental impact on the consolidated entity's operations, the Directors of the Company are not aware of any breach by the consolidated entity of those regulations.

9. Future developments, projects and business strategies

Other than that, referred to in this report, further information as to the likely development in the operations of the consolidated entity and the expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the consolidated entity and its shareholders.

10. Directors

The details of the Directors are:

Mr Wayne Johnson (Non-Executive Chairman)

Mr Johnson has over 30 years business and financial transaction experience gained in Australia, New Zealand, Asia and North America. He has extensive experience in managing businesses, corporate advisory, governance and compliance as a result of building, managing and directing public and private companies from start up to established public corporations.

Mr Johnson's hands on experience in business management and operations, often in markets undergoing significant change, is a rare attribute not held by many corporate advisors. The knowledge and skills accumulated through being at the helm of a range of successful enterprises has been at the core of his ability to drive many merger and acquisition transactions, restructures and recapitalisations. Mr Johnson's expertise spans a variety of industries, including telecommunications, electronic payments, financial services and the resources sector.

Mr Johnson is the principal of Noblemen Ventures Pty Ltd, a Sydney based corporate and investment advisory firm providing services to select public and private entities, primarily in the middle market. He also provides services as a professional director to public companies. On 15 May 2019, Mr Johnson was appointed a director of EOR Group Limited (ASX code: EOR). Mr Johnson resigned as a director of Freehill Mining Limited (ASX code: FHS) on 29 August 2019, VIP Gloves Limited (ASX code VIP) on 27 September 2019 and SportsHero Limited (ASX code SHO) on 29 October 2019.

Mr Michael Higginson B.Bus (Non-Executive Director)

Mr Higginson holds a Bachelor of Business degree with majors in finance and corporate administration. Mr Higginson was formerly an executive officer with the Australian Securities Exchange. He has over 30 years expertise in public company administration, corporate finance and law, corporate governance, capital raisings, ASX Listing Rules and company secretarial duties.

Mr Higginson has held board, company secretarial and senior management positions with a number of listed public companies. Mr Higginson is a director of SportsHero Limited (ASX code: SHO) and VIP Gloves Limited (ASX code: VIP). Mr Higginson is a member of the Company's audit committee.

Directors Report (continued)

Mr Gary Lim (Non-Executive Director)

Mr Lim is a fellow of the Institute of Chartered Accountants in England and Wales and is a Chartered Accountant, qualified since 1984. Since qualifying, Mr Lim has been employed as a management consultant with a top 4 accounting firm and held chief financial officer roles in various diverse sectors including private healthcare, music and entertainment, disaster recovery, property, building and construction, charities and furniture manufacture and retail. Mr Lim was appointed a director of EOR Group Limited (ASX code: EOR) on 15 May 2019, Mr Lim is a member of the Company's audit committee.

Mr Raja Ahmad Raja Jallaludin (Non-Executive Director)

Mr Jallaludin is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of CPA Australia. Mr Jallaludin is also a graduate of the Institute of Chartered Secretaries and Administrators, United Kingdom.

After completing his accounting and chartered secretaries' examinations within two years and six months in June 1974, Mr Jallaludin joined Ernst Young (then known as Turquand Youngs) in Malaysia. In July 1983, he was admitted as a Partner of Ernst Young where he remained until he took early retirement in June 1999. As an Audit Partner, Mr Jallaludin had extensive experience in the audits of many large listed companies in various industries. Mr Jallaludin's areas of specialisation included the insurance, extractive (mining) and plantation industries. Mr Jallaludin is chair of the Company's audit committee.

11. Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

Director	Board Meetings		Audit Committee Meetings	
	Number of meetings eligible to attend	Number of meetings directors' attended	Number of meetings eligible to attend	Number of meetings directors' attended
Wayne Johnson	2	2	-	2
Michael Higginson	2	2	2	2
Gary Lim	2	2	2	2
Raja Jallaludin	2	2	2	2

12. Retirement, election and continuation in office of Directors

In accordance with the Company's constitution, one third of the previously elected Directors will retire at the annual general meeting and, being eligible, offer themselves for re-election.

Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Equity instruments issued on exercise of remuneration options
- F. Value of options to Directors

Directors Report (continued)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. There were no executives of the Company at the date of this report. The remuneration arrangements detailed in this report are for the Non-Executive Chairman and Non-Executive Directors are as follows:

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

A. Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered and set to attract the most qualified and experienced candidates in the context of prevailing market conditions.

The Company embodies the following principles in its remuneration framework:

- The Board seeks independent advice on remuneration policies and practices including recommendations on remuneration packages and other terms of employment for Directors; and
- In determining remuneration, advice is sought from external consultants on current market practices for similar roles, the level of responsibility, performance and potential of the Director and performance of the Company.

In accordance with best practice corporate governance, the structure of the Non-Executive Chairman and Non-Executive Director remuneration is separate and distinct. Remuneration committee's responsibilities are carried out by the full Board.

Non-Executive Director/Chairman

Fees and payments to the Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Director. Non-Executive Directors' fees and payments are reviewed not less than annually by the Board. The Non-Executive Chairman fees are determined based on competitive roles in the external market. The Chairman is not present at any discussions relating to the determination of the remuneration level.

The current base remuneration was last reviewed in April 2019. The Non-Executive Chairman receives a fixed fee for his services as a Director and payment for specific consultancy services provided to the Company.

The Company's Non-Executive Director's remuneration package contains the following key elements:

- Primary benefits – monthly Director's fees;
- Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders; and
- Consulting services where requested by the Company are paid on a commercial arm's length basis.

Retirement benefits were provided to Mr Jallaludin in the form of statutory superannuation.

The Company does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors, as such there is no performance related links to the existing remuneration policies.

Directors Report (continued)

Remuneration Report (Audited) (continued)

B. Details of remuneration

Details of the remuneration of the Directors are set out below:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2019	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
W Johnson (Chairman)	73,333	-	-	-	-	-	-	73,333
M Higginson ¹	69,737	-	-	-	-	-	-	69,737
G Lim	47,500	-	-	-	-	-	-	47,500
R Jallaludin	43,379	-	-	4,121	-	-	-	47,500
	233,949	-	-	4,121	-	-	-	238,070

¹ Includes fees paid for the provision of Company Secretarial, accounting and corporate services.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2018	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
W Johnson (Chairman)	60,000	-	-	-	-	-	-	60,000
M Higginson ²	88,727	-	-	-	-	-	-	88,727
G Lim	40,000	-	-	-	-	-	-	40,000
R Jallaludin ¹	27,395	-	-	2,602	-	-	-	29,997
	216,122	-	-	2,602	-	-	-	218,724

¹ Represents remuneration from 13 March 2018.

² Includes fees paid for the provision of Company Secretarial, accounting and corporate services.

C. Service Agreements

Mr Wayne Johnson

On 14 August 2017, the Non-Executive Chairman Mr Johnson entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Chairman, including remuneration of \$60,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Johnson to \$80,000 per annum.

Mr Michael Higginson

On 14 August 2017, the Non-Executive Director Mr Higginson entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum.

Directors Report (continued)

Remuneration Report (Audited) (continued)

C. Service Agreements (continued)

Mr Gary Lim

On 24 August 2017, the Non-Executive Director Mr Lim entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Lim to \$50,000 per annum.

Mr Raja Jallaludin

On 13 March 2018, the Non-Executive Director Mr Jallaludin entered into a service agreement with the Company in the form of a letter of appointment. The letter outlines the broad policies and terms relevant to the office of Non-Executive Director, including remuneration of \$40,000 per annum. At a Board Meeting held on 10 April 2019, it was resolved to increase the remuneration payable to Mr Jallaludin to \$50,000 per annum.

Termination benefits

The Company does not have a retirement or termination policy providing payments on retirement or termination to the Directors other than the payment of any accrued and current liabilities.

D. Share-based compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options (the 'Plan'). There are no performance requirements to be met before exercise can take place. The Plan is designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan is at the discretion of the Board and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

The issue of options is not linked to performance conditions because by setting the option price at a level above the current share price at the time the options are granted provides incentive for management to improve the Company's performance. No options have been granted to the Directors or vested during the year. No shares were issued in exercise of options granted in the current year and previous years.

Shareholding

The number of shares in the Company held during the financial year by each Director, including their personally related parties, is set out below:

2019 Name	Balance at the start of the year	Additions	Disposals	Balance as at the end of the year
Wayne Johnson	1,693,875	-	-	1,693,875
Michael Higginson	1,636,250	-	-	1,636,250
Gary Lim	-	-	-	-
Raja Jallaludin	-	-	-	-
	3,330,125	-	-	3,330,125

2018 Name	Balance at the start of the year	Additions	Disposals	Balance as at the end of the year
Wayne Johnson	1,804,150	-	(110,275)	1,693,875
Michael Higginson	1,636,250	-	-	1,636,250
Gary Lim	-	-	-	-
Raja Jallaludin ¹	-	-	-	-
	3,440,400	-	(110,275)	3,330,125

¹ Appointed 13 March 2018

Directors Report (continued)

Remuneration Report (Audited)

D. Equity instruments issued on exercise of remuneration options

As no remuneration options exist, no shares were issued during the year to Directors as a result of exercising remuneration options.

E. Equity instruments issued on exercise of remuneration options

No options were granted, exercised, vested and/or lapsed during the year to Directors as part of their remuneration.

End of Remuneration Report

13. Shares under option

As at the date of this report, there are no unissued ordinary shares of Cape Range under option.

No options to acquire ordinary shares expired during the year.

14. Indemnity and insurance of officers

During the financial year, the Company paid a premium of \$19,898 in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the *Corporations Act 2001*.

15. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

16. Non-audit services

There were no amounts paid or payable for non-audit services provided during the year.

17. Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 10.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Wayne Johnson
Non-Executive Chairman

31 March 2020
Sydney

CAPE RANGE LIMITED AND CONTROLLED ENTITIES
ABN 43 009 289 481

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cape Range Limited. As the lead audit partner for the audit of the financial report of Cape Range Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of;

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable cost of professional conduct in relation to the audit.

Ned Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Date: 31 March 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
Revenue	8	1,281,066	775,729
Cost of sales		(146,639)	(44,963)
Gross profit		1,134,427	730,766
Other operating income	8	126,339	178,098
Reversal of prior year doubtful debt provision		367,319	-
Expenses			
Administration expenses		(702,552)	(966,029)
Marketing & promotional expenditure		(4,026)	(17,989)
Other operating expenses		(56,663)	(7,026)
Finance costs		(15,376)	(30,292)
Depreciation and amortisation expenses		(207,682)	(134,342)
Provision for doubtful debts		(441,115)	(356,001)
Performance rights expense		(7,650,000)	-
Total expenses		(9,077,414)	(1,511,679)
Loss before income tax		(7,449,329)	(602,815)
Income tax expense	9	(54,215)	(611)
Loss after tax		(7,503,544)	(603,426)
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations		28,358	43,303
Total comprehensive income for the year		(7,475,186)	(560,123)
Basic and diluted (loss) per share (cents per share)	10	(8.97)	(0.77)

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

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
Assets			
Current assets			
Cash and cash equivalents	11	4,011,445	4,255,177
Trade and other receivables	12	328,017	247,108
Total current assets		4,339,462	4,502,285
Non-current assets			
Plant and equipment	13	82,995	93,707
Right-of-use assets	14	13,368	-
Intangible assets	15	1,565,169	965,105
Total non-current assets		1,661,532	1,058,812
Total assets		6,000,994	5,561,097
Current liabilities			
Trade and other payables	16	317,572	130,608
Deferred revenue	17	136,158	94,473
Lease liabilities	18	13,972	-
Income tax liabilities	19	52,209	-
Borrowings	20	28,473	29,256
Total current liabilities		548,384	254,337
Non-current liabilities			
Deferred tax liabilities	19	1,739	-
Borrowings	20	83,542	113,893
Total non-current liabilities		85,281	113,893
Total liabilities		633,665	368,230
Net assets		5,367,329	5,192,867
Equity			
Issued capital	21	13,417,257	13,417,257
Foreign currency translation reserve	22	74,085	45,727
Unissued share reserve	22	7,650,000	-
Accumulated losses		(15,774,013)	(8,270,117)
Total equity		5,367,329	5,192,867

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2019

	Issued Capital Ordinary Shares \$	Foreign Currency Translation Reserve \$	Unissued Share Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 01/01/2019	13,417,257	45,727	-	(8,270,117)	5,192,867
Adjustment on initial recognition of AASB 16	-	-	-	(352)	(352)
Balance as at 1 January 2019 (restated)	13,417,257	45,727	-	(8,270,469)	5,192,515
Foreign exchange translation reserve	-	28,358	-	-	28,358
Loss for the year	-	-	-	(7,503,544)	(7,503,544)
Total comprehensive income for the year	-	28,358	-	(7,503,544)	(7,475,186)
Transactions with owners, in their capacity as owners and other transfers					
Performance rights earned for shares not yet issued	-	-	7,650,000	-	7,650,000
Balance at 31/12/2019	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329
Balance at 01/01/2018	10,767,257	2,424		(7,666,691)	3,102,990
Loss for the year	-	-		(603,426)	(603,426)
Foreign exchange translation reserve	-	43,303		-	43,303
Total comprehensive income for the year	-	43,303		(603,426)	(560,123)
Transactions with owners, in their capacity as owners and other transfers					
Conversion of performance rights	2,650,000	-		-	2,650,000
	2,650,000	-		-	2,650,000
Balance at 31/12/2018	13,417,257	45,727		(8,270,117)	5,192,867

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Receipts from customers		878,812	913,185
Payments to suppliers and employees		(692,552)	(1,252,628)
Interest received		95,963	100,075
Payment of income tax		(267)	(745)
Finance costs		(15,376)	(30,292)
Net cash from/(used in) operating activities	11(b)	266,580	(270,405)
Cash flows from investing activities			
Payments for plant & equipment		(8,945)	(29,446)
Payments for intangibles		(450,574)	(389,397)
Net cash used in investing activities		(459,519)	(418,843)
Cash flows from financing activities			
Repayment of term loan		(31,134)	(131,510)
Repayment of long-term loan		-	(38,809)
Repayment of hire purchase liabilities		-	(6,714)
Repayment of lease liabilities		(19,659)	-
Net cash used in financing activities		(50,793)	(177,033)
Net decrease in cash and cash equivalents held		(243,732)	(866,281)
Cash and cash equivalents at the beginning of the year		4,255,177	5,121,458
Cash and cash equivalents at the end of the financial year	11(a)	4,011,445	4,255,177

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

Notes to the Financial Statements
For the financial year ended 31 December 2019

1. Corporate Information

The financial report of Cape Range Limited and its controlled entities (**Group**) for the year ended 31 December 2019 was authorised for issue in accordance with resolutions of the Directors on 31 March 2020.

Cape Range Limited (**Company**) is a company limited by shares incorporated in Australia and whose securities are publicly traded on the Australian Securities Exchange. The Company's registered office and principal place of business is 29 Brookside Place, Lota, Queensland, 4179.

The registered office of Biztrak Business Solutions Sdn Bhd and Biztrak R&D Sdn Bhd ("Biztrak") is Unit C-6-5, 6th Floor, Block C, Megan Avenue II, No 12, Jalan Yap Kwang Seng, 50450 Kuala Lumpur.

The principal place of business of Biztrak Business Solutions Sdn Bhd and Biztrak R&D Sdn Bhd is D-01-02, Garden Shoppe One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor, Malaysia.

2. Summary of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

Historical cost convention

The financial statements have been prepared under the historical cost convention, except where stated.

Parent entity information

These financial statements present the results of the consolidated entity only. Information about the parent entity is disclosed in Note 23.

b) Statement of Compliance

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

c) Functional and presentation currency

The functional currency of Biztrak is Malaysian Ringgit and for Cape Range Limited is Australian Dollars. The financial report is presented in Australian dollars, which is the Group's presentation currency.

d) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst the Group incurred a loss after tax of \$7,503,544 (31 December 2018: \$603,426) for the year it had net assets of \$5,367,329 as at 31 December 2019 (31 December 2018: \$5,192,867). This loss included a one-off performance rights expense of \$7,650,000 as a consequence of the conversion of 11,250,000 performance rights. As at 31 December 2019, the Group had \$4,011,445 in cash (31 December 2018: \$4,255,177) which is sufficient to pay its debts as and when they fall due over the next 12 months from the date of this report.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the use of certain critical accounting estimates, judgements and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. New and Revised Accounting Requirements

During the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. Refer to Note 6 for the impact of the adoption of these new and revised Standards and Interpretations.

5. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

a) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences 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 accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

c) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" (FVPL), in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Group's trade receivables are measured at amortised cost.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approaches to impairment, as applicable under AASB 9: Financial Instruments:

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

g) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding freehold land) over their expected useful lives as follows:

Leasehold improvements	5-10 years
Plant and equipment	5-10 years
Computers	over 4 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Impairment

The carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less cost to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. 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.

h) Intangible assets

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. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and an impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption of useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

Intellectual property

Intellectual property is recognised at cost of acquisition. Intellectual property has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Intellectual property is amortised on a straight-line basis over their useful lives of between 5 to 20 years.

i) Revenue and Other Income

Revenue recognition

Revenue generated by the Group is categorised into the following reportable segments:

- gross invoiced value of packaged accounting and business management software sold, net of discounts and trade returns, and;
- services provided for training to customers or end user, services and maintenance for the software programme, as well as implementation after the sale has been completed.

Sales of packaged accounting and business management software

Revenue from the sales of packaged accounting and business management software is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

After-sale maintenance support services

The Group provides after sale maintenance support to customers, with a contract duration of 12 months. Services and maintenance support are recognised as distinct performance obligations in contracts that provide both sale of packaged accounting and business management software and services and maintenance support. Customers are able to benefit from the services and maintenance support separately from the purchase of the software.

During the term of the contract, the Group stands ready to provide the after-sale maintenance support services to customers, with revenue recognised on a straight-line basis over the contract term.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

j) Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred, except where they are directly attributable to the acquisition or construction of qualifying assets, in which case they are capitalised as part of the cost of that asset.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

k) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Defined contribution superannuation benefits

All employees of the Group other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Equity settled compensation

The Group operates an employee share and option plan for its Non-Executive Directors. Share-based payments to Non-Executive Directors are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and statement of profit and loss respectively. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

l) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The functional currency of Biztrak is Malaysian Ringgit. The financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

5. Significant Accounting Policies (continued)

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at average rates prevailing at the end of the financial period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

m) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cap Range Limited ("Company" or "parent entity") as at 31 December 2019 and the results of all subsidiaries for the year then ended. Cape Range Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when 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. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

In the 2017 financial year, Cape Range Limited completed the legal acquisition of Biztrak (incorporated in Malaysia). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations, with Biztrak deemed to be the accounting acquirer. The acquisition has been treated using the principles of reverse acquisition accounting. Effectively Biztrak has acquired the net assets of Cape Range Limited.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

6. Initial application of new standards, interpretations and amendments adopted by the Group

The Group has adopted *AASB 16: Leases* with an initial application date of 1 January 2019.

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset and an interest expense on the recognised lease liability (included in finance costs). However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

The Group's operating leases have been capitalised as a right to use asset and a corresponding lease liability has been recorded on the statement of financial position. This standard has impacted the Group to the extent of its current operating lease commitments which expire in October 2020. Based on these current commitments a right of use asset, \$33,279 and a corresponding liability amounting to \$33,631 was recognised in the statement of financial position on adoption of AASB 16,

As permitted by AASB 16, the Group have elected to not restate the comparatives. The following table summarises the impacts from the adoption of AASB 16 on the Group's financial statements.

Adjustments made to: Consolidated statement of financial position	As at 31.12.2018	AASB 16 adjustments	As at 1.1.2019
	\$	\$	\$
Right-of-use asset	-	33,279	33,279
Total assets	5,561,097	33,279	5,594,376
Lease liabilities	-	33,631	33,631
Total liabilities	368,230	33,631	401,861
Equity			
Accumulated losses	(8,270,117)	(352)	(8,270,469)
Total equity	5,192,867	(352)	5,192,515

Reconciliation from operating lease commitments to lease liabilities

Operating lease commitments as at 31 December 2018	37,057
Discounted using the incremental borrowing rate	(3,506)
Other adjustments	80
	33,631

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

7. Segments

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

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

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

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

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

	Australia	Malaysia	Eliminations	Total
	\$	\$	\$	\$
Year ended 31 December 2019				
Revenue from external customers	-	1,281,066	-	1,281,066
Reportable segment (loss) after tax	(8,081,212)	577,668	-	(7,503,544)
Year ended 31 December 2018				
Revenue from external customers	-	775,729	-	775,729
Reportable segment (loss) after tax	(494,860)	(108,566)	-	(603,426)
Reportable segments assets				
At 31 December 2019	15,822,206	2,115,288	(11,936,500)	6,000,994
At 31 December 2018	16,230,604	1,266,993	(11,936,500)	5,561,097
Reportable segments liabilities				
At 31 December 2019	167,490	741,667	(275,492)	633,665
At 31 December 2018	144,676	504,560	(281,006)	368,230

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

8. Revenue, other income and expenses

	2019 \$	2018 \$
Revenue from contracts with customers	1,281,066	775,729
Other income		
Interest revenue	95,963	100,075
Debt forgiveness	1,909	78,023
Other income	28,467	
	126,339	178,098
Loss before tax includes the following specific items:		
Accounting, Consulting, legal and professional fees	184,584	211,742
ASX Listing and Share registry expenses	81,059	57,592
Travel, meals and entertainment	61,260	119,516
Depreciation & amortisation	207,682	134,342
Provision for doubtful debts	441,115	356,001

9. Tax

	2019 \$	2018 \$
(a) Income tax benefit / (expense)		
Current tax	(52,488)	(611)
Deferred tax	(1,727)	-
	(54,215)	(611)
(b) Reconciliation of Income tax benefit to prima facie tax payable		
(Loss) before income tax	(7,449,329)	(602,815)
Income tax benefit @ 27.5%	(2,048,565)	(165,774)
Add: non-deductible expenses	2,261,863	-
Less: impact of foreign tax rates	(22,115)	3,778
Add: Tax benefit of tax losses and temporary differences not recognised	35,032	161,385
Less: non-taxable income	(108,760)	-
Less: utilisation of unabsorbed tax losses	(147,313)	-
Less: utilisation of current year's capital allowances	(24,357)	-
Income tax expense	(54,215)	(611)

(c) Tax Losses

The taxation benefits of tax losses brought to account will only be obtained if:

- assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- conditions for deductibility imposed by the law are complied with; and
- no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Notwithstanding, the Group's subsidiaries have recorded a tax liability for the year after utilisation of tax losses, the Directors have assessed that Deferred tax assets have not been brought to account on the basis that further taxable profits may not be probable.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

10. Earnings per Share

	2019 \$	2018 \$
Net (loss) attributable to the equity holders of the Company	(7,503,544)	(603,426)
	2019 No.	2018 No.
Weighted average number of ordinary shares	83,658,301	78,428,424
	2019 Cents	2018 Cents
Basic and Diluted Loss per share	(8.97)	(0.77)

11. Cash and Cash Equivalents

	2019 \$	2018 \$
(a) Cash and cash equivalents	4,011,445	4,255,177
(b) Reconciliation of net cash used in operating activities to operating loss		
Operating loss after income tax expense for the year	(7,503,544)	(603,426)
Add non – cash items:		
Depreciation and amortisation	207,682	134,342
Debt forgiveness	(1,909)	(78,023)
Provision for doubtful debts	441,115	356,001
Performance rights expense	7,650,000	-
Reversal of prior year doubtful debts provision	(367,319)	-
Loss on disposal of plant & equipment	97	-
Foreign exchange differences	28,358	43,304
Add / (deduct) movement in working capital:		
Trade and other receivables	(472,406)	136,917
Deferred revenue	41,685	405
Trade and other payables	188,873	(259,925)
Current tax liabilities	52,209	-
Deferred tax liabilities	1,739	-
	266,580	(270,405)

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

12. Trade and Other Receivables

	2019 \$	2018 \$
Trade Debtors	647,886	446,998
Less Provision for Impairment	(429,797)	(356,001)
	218,089	90,997
Other receivables	109,928	155,622
Income tax receivable	-	489
	328,017	247,108

(a) Lifetime Expected Credit Loss: Credit Impaired

	Opening Balance 1 January 2019	Reversal of loss allowance	Additional loss allowance	Closing Balance 31 December 2019
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	356,001	(367,319) ¹	441,115	429,797
	356,001	(367,319)	441,115	429,797

	Opening Balance 1 January 2018	Net Measurement of loss allowance	Amounts written off	Closing Balance 31 December 2018
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	-	-	356,001	356,001
	-	-	356,001	356,001

¹ The reversal exceeds the opening balance after adjusting for exchange rate differences

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2019 is determined as follows: the expected credit losses also incorporate forward-looking information. No amounts have been written off.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

	Current	>30 days past due	>60 days past due	>90 days past due	Total
2019					
Expected loss rate	1%	4%	86%	78%	66%
	\$	\$	\$	\$	\$
Gross carrying amount	87,119	19,243	82,301	459,223	647,886
Loss allowing provision	1,046	683	70,544	357,524	429,797

	Current	>30 days past due	>60 days past due	>90 days past due	Total
2018					
Expected loss rate	0%	0%	0%	94%	80%
	\$	\$	\$	\$	\$
Gross carrying amount	52,228	8,748	5,376	380,646	446,998
Loss allowing provision	0	0	0	356,001	356,001

13. Plant and Equipment

	2019 \$	2018 \$
Equipment – at cost	384,168	480,858
Less: accumulated depreciation	(301,173)	(387,151)
	82,995	93,707
Movement		
Balance as at 1 January	93,707	79,538
Additions	8,945	29,446
Disposals	(96)	-
Depreciation expense	(19,561)	(15,277)
Balance as at 31 December	82,995	93,707

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

14. Right-to-use assets

	2019 \$	2018 \$
(i) AASB 16 related amounts recognised in the balance sheet		
Leased building	40,102	-
Less: accumulated depreciation	(26,734)	-
	13,368	-
Movement		
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	33,278	-
Depreciation expense	(19,910)	-
Balance as at 31 December 2019	13,368	-
(ii) AASB16 related amounts recognised in the Statement of Profit or Loss		
Depreciation charge related to right-of-use assets	19,910	-
Interest expense on lease liabilities	1,675	-
(iii) Total cash outflows for leases	19,659	-

15. Intangible assets

	2019 \$	2018 \$
Development expenditure		
At cost	3,565,332	3,102,602
Less: Accumulated amortisation	(2,576,007)	(2,347,672)
	989,325	754,930
Intellectual property		
At cost	1,552,750	1,096,063
Less: Accumulated amortisation	(976,906)	(885,888)
	575,844	210,175
Total intangible assets	1,565,169	965,105
Movement		
Development expenditure		
Balance at 1 January	754,930	445,067
Additions	354,440	389,397
Amortisation charge	(120,045)	(79,534)
	989,325	754,930
Intellectual property		
At cost	210,175	249,706
Additions	413,835	-
Amortisation charge	(48,166)	(39,351)
	575,844	210,175
Total intangible assets	1,565,169	965,105

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

16. Trade and Other Payables

Trade payables ¹

Payable to related parties ²

Other payables and accruals

2019 \$	2018 \$
122,992	7,891
13,672	12,058
180,908	110,658
317,572	130,608

¹ Accounts payable are non-interest bearing and are predominantly settled on 30-day terms

² Payable to directors

17. Deferred revenue

Deferred revenue

2019 \$	2018 \$
136,158	94,473
136,158	94,473

Deferred revenue represents the maintenance services invoiced for future services that have not yet been rendered at balance date.

18. Lease liabilities

Office building

At beginning of year

Interest expense

Lease payments

At end of year

Minimum payment

- Not later than one year

- Later than one year and not later than five years

Future finance charges on leases

Present value of lease liabilities

Current

Non-current

2019 \$	2018 \$
33,631	-
1,675	-
(21,334)	-
13,972	-
14,328	-
-	-
14,328	-
(356)	-
13,972	-
13,972	-
-	-
13,972	-

19. Income tax

Current liabilities

Income tax payable

Non-current liabilities

Deferred tax liabilities

2019 \$	2018 \$
52,209	-
1,739	-

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

20. Borrowings

	2019 \$	2018 \$
Current		
Term loans	28,473	29,256
Non- Current		
Term loans	83,542	113,893

The Biztrak term loans are payable within five years, are jointly and severally guaranteed by past Biztrak directors and a fixed deposit with interest rates ranging from 6.75% to 10.15% (2018: 6.75% to 10.15%).

21. Issued Capital

	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares fully paid	83,658,301	83,658,301	13,417,257	13,417,257

(a) Movement in ordinary shares

	2019 Shares	2019 \$	2018 Shares	2018 \$
Opening balance at beginning of period	83,658,301	13,417,257	73,658,301	10,767,257
	83,658,301	13,417,257	73,658,301	10,767,257
Issue of shares ¹	-	-	10,000,000	2,650,000
Closing balance at end of period	83,658,301	13,417,257	83,658,301	13,417,257

¹ On 10 July 2018, 10 million ordinary shares were issued following the conversion of 10 million performance rights. The fair value of the 10 million shares at the date of issue was \$2,650,000 (ie \$0.265 per share).

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

21. Issued Capital

(b) Options and performance rights

As at 31 December 2019, there were no options on issue (2018: nil). During the year no options were issued (2018: nil)

As at 31 December 2019, there were 20,000,000 performance rights on issue (2018: 20,000,000) each converting into 1 fully paid ordinary share. During the year no new performance rights were issued (2018: 20,000,000).

On 10 July 2018 10,000,000 performance rights were converted into 10,000,000 ordinary shares following the completion of Stage 1 of the cloud-based accounting software within eight months of the Company being admitted to the official list of ASX (being 28 November 2017).

The 20,000,000 performance rights are convertible into 20,000,000 ordinary shares upon Biztrak achieving pre-determined EBITDA targets during the period commencing on the date that the Company was admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019. As a consequence of the better than expected trading results achieved during the second half of the 2019 financial year, the EBITDA for the period was \$1,108,255 which was in the EBITDA target range of \$1,050,000 to \$1,149,999.99, which results in the conversion of 11,250,000 performance rights into 11,250,000 ordinary shares. The value of these performance rights is based on the closing price of Cape Range Limited shares trading on the ASX as at 31 December 2019 of 68 cents which equates to \$7,650,000. These 11,250,000 performance rights will be convertible into 11,250,000 ordinary shares on or before 30 April 2020.

22. Reserves

	2019 \$	2018 \$
Foreign currency reserve		
Opening balance	45,727	2,424
Foreign currency translation ¹	28,358	43,303
Closing balance	74,085	45,727

¹ The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations in Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

	2019 \$	2018 \$
Unissued share reserve	7,650,000	-

As disclosed in Note 21(b), this reserve comprises 11,250,000 performance rights which are to be converted into ordinary shares on or before 30 April 2020. The Board have determined that the 11,250,000 shares be valued at \$0.68 per share being the Company's closing share price on 31 December 2019.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

23. Parent information

	2019	2018
	\$	\$
ASSETS		
Current assets	4,168,656	4,577,054
Non-current assets	11,653,550	11,653,550
TOTAL ASSETS	15,822,206	16,230,604
LIABILITIES		
Current liabilities	167,490	144,676
TOTAL LIABILITIES	167,490	144,676
NET ASSETS	15,654,716	16,085,928
EQUITY		
Issued capital	26,431,879	26,431,879
Unissued capital reserve	7,650,000	-
Accumulated losses	(18,427,163)	(10,345,951)
TOTAL EQUITY	15,654,716	16,085,928
Loss for the year	8,081,212	494,860
Total comprehensive loss	8,081,212	494,860

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2019 and 31 December 2018.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2019 and 31 December 2018.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

24. Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk; credit risk and liquidity risk. The Company's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Capital risk management

The Company's capital includes share capital, reserves and accumulated losses. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Company may issue new shares in order to meet its financial obligations.

(b) Categories of financial instruments

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Trade and other receivables	328,017	247,108
Cash and cash equivalents	4,011,445	4,255,177
	4,339,462	4,502,285
FINANCIAL LIABILITIES		
Trade and other payables	317,572	130,608
Borrowings	112,015	143,149
	429,587	273,757

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables.

All cash balances held at banks are held at internationally recognised institutions.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liability and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

24. Financial Risk Management (continued)

2018	Weighted Average Interest Rate %	<6 months \$	>6-12 months \$	>12 months \$	Total Contractual Cash Flows \$	Carrying Amount \$
Financial assets						
Non-interest bearing	-	-	-	-	-	-
Cash	2.71%	4,255,177	-	-	4,255,177	4,255,177
Trade and other receivables		247,108	-	-	247,108	247,108
		4,502,285	-	-	4,502,285	4,502,285
Financial liabilities						
Non-interest bearing	-	-	-	-	-	-
Borrowings	8.6%	29,256	-	113,893	143,149	143,149
		29,256	-	113,893	143,149	143,149

2019	Weighted Average Interest Rate %	<6 months \$	>6-12 months \$	>12 months \$	Total Contractual Cash Flows \$	Carrying Amount \$
Financial assets						
Non-interest bearing						
Cash	1.4%	4,011,445	-	-	4,011,445	4,011,445
Trade and other receivables		227,507	-	100,510	328,017	328,017
		4,238,952	-	100,510	4,339,462	4,339,462
Financial liabilities						
Non-interest bearing						
Borrowings	9.89%	28,473	-	83,542	112,015	112,015
		28,473	-	83,542	112,015	112,015

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Group had no financial instruments measured at fair value for the year ended 31 December 2019 (2018: Nil) The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the Company's operations

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

25. Related party disclosures

(a) Subsidiaries

The Company's subsidiaries are Biztrak Business Solution Sdn Bhd and Biztrak R&D Sdn Bhd. Both subsidiaries are incorporated in Malaysia.

Transactions with the subsidiaries were:

	2019 \$	2018 \$
Movement in advances to Biztrak Business Solution Sdn Bhd		
Opening balance 1 January	161,800	(85,565)
Advances to Biztrak	34,432	160,019
Repayment by Cape Range	-	89,800
Unrealised foreign exchange gain/(loss)	(6,576)	(2,454)
Closing balance 31 December	189,655	161,800

(b) Key management personnel

The following persons were key management personnel during the financial year:
Wayne Johnson, Michael Higginson, Gary Lim and Raja Jallaludin.

No other key management personnel were noted for the years ended 31 December 2019 and 31 December 2018.

Key management personnel compensation

	2019 \$	2018 \$
Short-term employee benefits.	238,070	218,724
	238,070	218,724

(c) Loans to directors

There were no loans made to the directors of the Company or their related parties during the financial year (2018: nil)

(d) Other transactions with directors

The following transactions occurred during the financial year:

	2019 \$	2018 \$
Rent paid at normal commercial rates to Mr Higginson for the provision of the Company's registered office and principal place of business.	6,000	6,000

The above transactions were on commercial arms-length terms.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2019

26. Contingent assets and liabilities

There are no contingent assets and or liabilities at the date of this report (2018: nil).

27. Subsequent events

There have been no matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operation of the Company, the results of these operations, or the state of affairs of the Company.

28. Remuneration of auditors

	2019 \$	2018 \$
Auditors of the Company: Hall Chadwick		
- Audit and review of the financial report	64,598	60,500
Auditors of Biztrak subsidiaries: Ong & Wong		
- Audit and review of the financial report	4,213	3,773

29. Commitments

Non-cancellable operating leases contracted for
but not recognised in the financial statements

	2019 \$	2018 \$
Payable – minimum lease payments		
- Not later than 12 months	-	20,683
- Between 12 month and five years	-	16,374
	-	37,057

Directors' Declaration

For the year ended 31 December 2019

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are, or may become, subject.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors



Wayne Johnson
Chairman

31 March 2020
Sydney

CAPE RANGE LIMITED AND CONTROLLED ENTITIES
ABN 43 009 289 481

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CAPE RANGE LIMITED
AND CONTROLLED ENTITIES**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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

Report on the Financial Report

Opinion

We have audited the financial report of Cape Range Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 consolidated financial statements, 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 *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

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CAPE RANGE LIMITED AND CONTROLLED ENTITIES
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CAPE RANGE LIMITED
AND CONTROLLED ENTITIES

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 for the year ended 31 December 2019. 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.

Performance Rights

Refer to Note 21(b) Share Capital and Note 22 Unissued Share Reserve.

The performance rights is a key audit matter as:

- The performance rights expense amounting to \$7,650,000 has a material impact on the statement of profit and loss and other comprehensive income;
- Management applied a level of judgement in determining the fair value of the performance rights.

Our procedures included, amongst others:

- We verified the EBITDA target was in accordance with the company's prospectus dated 28 November 2017;
- We reperformed the calculation of accumulative EBITDA results of Biztrak for the period from 28 November 2017 to 31 December 2019 by verifying to the audited financial statements of each respective period;
- We assessed the fair value of the performance rights;
- We assessed the adequacy of the Group's disclosures in respect to this matter.

Carrying Value of Intangible Assets

Refer to Note 15 Intangible Assets and Accounting Policy Note 5(h)

The carrying value of intangible assets amounting to \$1,565,169 is a key audit matter as:

- The development expenditure and intellectual property represents circa 26% of the Group's total assets.
- A significant level of judgement was applied when considering management's assessment of the carrying value of intangible assets.

Our procedures included, amongst others:

- We assessed the basis for capitalisation and subsequent measurement of intangible assets;
- For finite life intangible assets, we re-performed management's calculation of the amortisation charge to ensure the charge is in accordance with the company's accounting policy;
- We verified a sample of expenditure incurred to supporting documentation;
- We reviewed the purchase agreements for intangibles assets acquired during the year;
- We assessed the adequacy of the Group's disclosure in respect of intangible assets.

CAPE RANGE LIMITED AND CONTROLLED ENTITIES
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CAPE RANGE LIMITED
AND CONTROLLED ENTITIES

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

CAPE RANGE LIMITED AND CONTROLLED ENTITIES
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CAPE RANGE LIMITED
AND CONTROLLED ENTITIES

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CAPE RANGE LIMITED AND CONTROLLED ENTITIES
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF CAPE RANGE LIMITED
AND CONTROLLED ENTITIES

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 9 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Cape Range Limited for the year ended 31 December 2019 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.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb

Partner

Date: 31 March 2020

Corporate Governance Statement

For the year ended 31 December 2019

The Board of Directors of Cape Range Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

Unless otherwise stated, the Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (**ASX Principles**). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles.

The Corporate Governance Statement and the Appendix 4G Statement have been released to the ASX and can be found on the Company's website at www.caperange.com.au

ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below, as at 16 March 2020.

Substantial Shareholder

Shareholder	Number of Shares	% of Shares Held
iFree Group (International) Limited	35,000,000	41.84%

Voting Rights

Ordinary Shares

At a general meeting, on a show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.

There are no other classes of shares.

Distribution of Equity Security Holders

	Fully paid shares	Performance rights
1 - 1,000	940	-
1,001 - 5,000	208	-
5,001 - 10,000	54	-
10,001 - 100,000	110	-
100,000 and over	40	3
Number of holders	1,352	3

There were 1,001 shareholders holding less than a marketable parcel of shares as at 16 March 2020.

Option holder Information

There are no options issued at the date of this report.

Members Information

Top 20 Shareholders as at 16 March 2020

Holder Name	Holding	% held
IFREE GROUP (INTERNATIONAL) LIMITED	35,000,000	41.84
MONEX BOOM SECURITIES (HK) LTD	9,687,413	11.58
BNP PARIBAS NOMS PTY LTD	9,320,444	11.14
RHB SECURITIES SINGAPORE PTE LTD	3,659,991	4.37
CITICORP NOMINEES PTY LTD	2,970,520	2.55
VALENS INTERNATIONAL PTY LTD	1,987,273	2.38
ANITA HIGGINSON	1,450,000	1.73
NOBLEMEN VENTURES PTY LTD	1,450,000	1.73
LOKE PEI PEI	1,050,000	1.26
WING SIM LISA CHAN	966,988	1.16
RUI YUAN ONG	933,442	1.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	912,286	1.09
EDDY VIRGO NG	755,676	0.90
BNP PARIBAS NOMS PTY LTD	745,240	0.89
KUAN LEE CHIA	670,008	0.80
PHILLIP SECURITIES PTE LTD	648,319	0.77
FERMIN ROBERT WAN	625,000	0.75
YONG SHENG MINING COMPANY LTD	625,000	0.75
HOOI KEOW HENG	533,627	0.64
YUXIA SHEN	500,000	0.60
Total	74,491,219	89.04

Restricted securities

The Company has no restricted securities on issue.

Unquoted equity securities

All securities on issue are quoted, namely 83,658,301 fully paid ordinary shares.

On-market buy-back

There is no current on-market buy-back.

Acquisition of voting shares

No issues of securities have been approved for the purposes of Item 7 of section 611 of the Corporations Act 2001.

Tax status

The Company is treated as a public company for taxation purposes.

Franking credits

The Company has nil franking credits.

Share Registry

Share registry functions are maintained by Advanced Share Registry. Details are as follows:

110 Stirling Highway
Nedlands, Western Australia 6009
Shareholder enquiries by telephone: 1300 113 258 or +61 (8) 9389 8033

Stock Exchange Listing

Quotation has been granted for the Company's ordinary shares on all Member Exchanges of the Australian Stock Exchange Limited, domiciled in Perth.