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AUCTUS

Alternative Investments

ABN 76 149 278 759

## **APPENDIX 4E**

# Preliminary final report

30 June 2019

# AUCTUS ALTERNATIVE INVESTMENTS LIMITED

AND CONTROLLED ENTITIES

ABN 76 149 278 759

## APPENDIX 4E

Preliminary final report

30 June 2019

### Corporate Directory

#### Directors

Campbell McComb *Managing Director and Interim Chairman*

Michael Hynes *Executive Director*

Brad Harrison *Non-Executive Director*

#### Company Secretary

Justin Mouchacca

#### Registered Office

Level 7, 90 Collins Street

Melbourne VIC 3000

Telephone: +61 (0)3 9088 8670

Email: [enquiries@auctusinvest.com](mailto:enquiries@auctusinvest.com)

Website: [www.auctusinvest.com](http://www.auctusinvest.com)

#### Share Registry

Computershare Investor Services Pty Limited

Level 11, 172 St Georges Terrace

Perth WA 6000

Telephone: 1300 850 505 (investors within Australia)

Telephone: +61 (0)3 9415 4000

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Website: [www.investorcentre.com](http://www.investorcentre.com)

#### Securities Exchange

Australian Securities Exchange

Level 4, North Tower, 525 Collins Street

Melbourne VIC 3000

Website: [www.asx.com.au](http://www.asx.com.au)

ASX Code [AVC](#)

#### Auditors

Bentleys

London House

Level 3, 216 St Georges Terrace

Perth WA 6000

Telephone: +61 (0)8 9226 4500

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Website: [www.bentleys.com.au](http://www.bentleys.com.au)

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**Company update**

Auctus Alternative Investments Limited (ASX:AVC) (**Auctus** or **the Company**) is pleased to provide an update to its operations for the year end 30 June 2019.

For the 2019 Financial Year, the Group achieved:

- ▲ Total revenue increase of \$170,745 or 51.23% to \$504,038 (2018: \$333,293);
- ▲ Total expenditure decreased by \$298,075 or 8.9% to \$3,636,317 (2018: \$3,338,242); and
- ▲ Increase in profit of \$4,628,251 or 137.5% to \$1,263,072 profit compared to 2018 (2018 Loss: \$3,365,179).

When making a comparison with the previous period, it is important to note the equity selldown and subsequent deconsolidation of Gophr Ltd occurred during the period. This was the predominant driver of the move from loss to profit in the current period.

In addition, the revenue from ordinary activities is now more indicative of that produced by Auctus as opposed to the consolidated revenue of investment companies. The key driver of revenue in the period was Auctus Asset Management Pty Ltd (Formerly High Line Alternative Investment Pty Ltd).

Non-cash items expensed in the period include share-based payments of \$531,127 (FY18: \$773,404) and depreciation and amortisation of \$60,827 (FY18: \$276,731).

Following on from last year, the net asset position of the Company has improved further by over \$4.5m to approximately \$5.5m. This has been driven by a significant improvement in financial assets and investments in associates.



Campbell McComb  
Managing Director

30 August 2019

**Results for announcement to the Market**

for the year ended 30 June 2019

<b>1 REPORTING PERIOD (item 1)</b>			
⌄	Report for the financial year ended:	30 June 2019	
⌄	Previous corresponding period is the financial year ended:	30 June 2018	
<b>2 RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>		<b>Percentage</b>	<b>Amount</b>
		<b>%</b>	<b>\$</b>
⌄	Increase in revenues from ordinary activities (item 2.1)	51.23 to	504,038
⌄	Increase in profit from ordinary activities after tax attributable to members (item 2.2)	133.55 to	1,015,279
⌄	Increase in profit after tax attributable to members (item 2.3)	133.55 to	1,015,279
a.	Dividends (item 2.4)	<b>Amount per Security</b>	<b>Franked amount per security</b>
		<b>¢</b>	<b>%</b>
⌄	Interim dividend	nil	n/a
⌄	Final dividend	nil	n/a
⌄	Record date for determining entitlements to the dividend (item 2.5)	n/a	
b.	Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):		
	The figures in the statement of comprehensive income, including the revenue and profit figures stated above have been disaggregated for discontinued operations. The continuing operations of the entity primarily relate to Auctus Alternative Investments Limited, Auctus Asset Management Pty Ltd and Auctus Investment Holdings Pty Ltd.		
	The discontinued operations are disclosed in the accompanying note to the Appendix 4E, note 6 Discontinued Operations, and include the operations of Gophr Ltd (UK), and Boppl (Australia) Pty Ltd.		
	Refer to the Company Update section for further details of the operations of the entity over the period reported.		
c.	Comparative amounts have been restated for the discontinued operations as referred to in section 6. Items of income and expense that relate to the Prism business have been aggregated into a discontinued operations line item. Refer also accompanying note to the Appendix 4E, note 6 Discontinued Operations.		
<b>3 PRELIMINARY FINAL REPORT</b>			
a.	Statement of comprehensive income (item 3): Refer to Consolidated statement of profit or loss and other comprehensive income on page 5		
b.	Statement of financial position (item 4): Refer to Consolidated statement of financial position on page 7		
c.	Statement of cash flows (item 5): Refer to Consolidated statement of cash flows on page 9		
d.	Statement of changes in equity (item 6): Refer to Consolidated statement of changes in equity on page 8		
<b>4 DIVIDENDS (item 7) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (item 14.2)</b>			
	Nil.		
a.	Details of dividend or distribution reinvestment plans in operation are described below (item 8): Not applicable		

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**Results for announcement to the Market**

for the year ended 30 June 2019

5 RATIOS	Current period	Previous corresponding period
a. Financial Information relating to 5b and 5c:	\$	\$
Earnings for the period attributable to Owners of the parent	1,015,279	(3,025,974)
Net assets	5,576,287	781,390
Less: Intangible assets	(1,815,825)	(1,160,799)
Net tangible (liabilities)/assets	3,760,462	(379,409)
	No.	No.
Fully paid ordinary shares	31,794,962	22,252,780
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	26,908,294	18,163,863
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	37,809,112	N/A
	¢	¢
b. Net tangible (liability)/assets backing per share (cents) (item 9):	11.827	(0.170)
c. Basic Earnings per share attributable to owners of the parent (cents) (item 14.1):	3.773	(16.659)
Diluted Earnings per share attributable to owners of the parent (cents) (item 14.1):	2.685	N/A
<p>At the end of the 2019 financial year, the Group had 10,542,605 unissued shares under options and 4,100,000 performance shares that were out of the money which are anti-dilutive (2018: 6,825,000 options, nil performance shares).</p> <p>The Company completed its 10:1 share consolidation in December 2018 following approval by shareholders in November 2018. The share consolidation involved the conversion of every 10 fully paid ordinary shares on issue into 1 fully paid ordinary share. Comparative balances have been adjusted by this consolidation.</p>		

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**Results for announcement to the Market**

for the year ended 30 June 2019

<b>6 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)</b>			
a. Control gained over entities			
▲ Name of entities (item 10.1)	Nil		
▲ Date(s) of gain of control (item 10.2)	N/A		
b. Loss of control of entities			
▲ Name of entities (item 10.1)	Wondr.it Limited	Gophr Limited	Boppl (UK) Ltd
▲ Date(s) of loss of control (item 10.2)	21 August 2018	31 May 2019	2 April 2019
c. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).			
	Nil	1,981,472	(145,837)
d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)			
	Nil	(801,791)	135,369
<b>7 DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)</b>			
▲ Name of entities (item 11.1)	Gophr Limited		
▲ Percentage holding in each of these entities (item 11.2)	29		
		Current period	Previous corresponding Period
		\$	\$
▲ Aggregate share of profits (losses) of these entities (item 11.3)		(86,376)	N/A
<b>8 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. (item 12):</b>			
Refer to commentary update covering this 4E			
<b>9 The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)</b>			
<b>10 A COMMENTARY ON THE RESULTS FOR THE PERIOD (item 14)</b>			
Refer to commentary update covering this 4E.			
<b>11 The report is still in the process of being audited (item 15)</b>			

**Consolidated statement of profit or loss and other comprehensive income**

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Continuing operations			
Revenue	1	504,038	333,293
Share of associate loss		(86,376)	-
Other income	1	198,614	420,523
		616,276	753,816
Costs of sales		(130,923)	-
		485,353	753,816
Business development		(300,417)	(40,681)
Compliance costs		(329,259)	(343,692)
Computers and communications		(35,505)	(3,907)
Depreciation and amortisation	2.1	(60,827)	(276,731)
Employee benefits expenses	2.2	(1,537,426)	(1,287,153)
Finance costs		(20,298)	(4,938)
Impairment	2.3	(4,918)	(477,560)
Professional fees		(164,176)	(73,465)
Rent and utilities		(85,017)	(62,074)
Share-based payments	8	(531,127)	(773,404)
Other (expenses) / recoveries		(436,424)	5,363
Loss before tax		(3,020,041)	(2,584,426)
Income tax benefit / (expense)		(95,156)	15,136
<b>Loss from continuing operations</b>		<b>(3,115,197)</b>	<b>(2,569,290)</b>
Discontinued Operations			
Profit / (loss) from discontinued operations (attributable to equity holders of the Company)	6	4,378,269	(795,889)
<b>Net profit / (loss) for the year</b>		<b>1,263,072</b>	<b>(3,365,179)</b>
Other comprehensive income, net of income tax			
▲ Items that will not be reclassified subsequently to profit or loss		-	-
▲ Items that may be reclassified subsequently to profit or loss:			
Foreign currency movement		(131,824)	(20,145)
<b>Other comprehensive income for the year, net of tax</b>		<b>(131,824)</b>	<b>(20,145)</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>1,131,248</b>	<b>(3,385,324)</b>

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**APPENDIX 4E**

Preliminary final report  
30 June 2019

**AUCTUS ALTERNATIVE INVESTMENTS LIMITED**

AND CONTROLLED ENTITIES

ABN 76 149 278 759

**Consolidated statement of profit or loss and other comprehensive income**

for the year ended 30 June 2019

Note	2019 \$	2018 \$
Profit/(loss) for the period attributable to:		
▲ Non-controlling interest	247,793	(339,205)
▲ Owners of the parent	1,015,279	(3,025,974)
Total comprehensive income/(loss) attributable to:		
▲ Non-controlling interest	247,793	(346,984)
▲ Owners of the parent	883,455	(3,038,340)

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

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**AUCTUS ALTERNATIVE INVESTMENTS LIMITED**

AND CONTROLLED ENTITIES

ABN 76 149 278 759

**APPENDIX 4E**

Preliminary final report

30 June 2019

**Consolidated statement of financial position**

as at 30 June 2019

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	3.1	534,053	282,077
Trade and other receivables	3.2	36,959	520,213
Other current assets		80,127	3,723
<b>Total current assets</b>		<b>651,139</b>	<b>806,013</b>
<b>Non-current assets</b>			
Plant and equipment	4.1	19,516	25,145
Intangible assets	4.2	1,815,825	1,160,799
Financial assets	3.3	4,159,370	818,091
Investments in associates	7	1,543,365	-
<b>Total non-current assets</b>		<b>7,538,076</b>	<b>2,004,035</b>
<b>Total assets</b>		<b>8,189,215</b>	<b>2,810,048</b>
<b>Current liabilities</b>			
Trade and other payables	3.4	2,375,354	1,908,289
Short-term provisions	4.3	140,452	30,707
Current tax liabilities		95,156	-
Borrowings	3.5	1,966	89,662
<b>Total current liabilities</b>		<b>2,612,928</b>	<b>2,028,658</b>
<b>Total liabilities</b>		<b>2,612,928</b>	<b>2,028,658</b>
<b>Net assets</b>		<b>5,576,287</b>	<b>781,390</b>
<b>Equity</b>			
Issued capital	5.1.1	23,204,997	19,230,975
Reserves	5.4	858,312	(1,618,988)
Accumulated losses		(18,224,811)	(15,444,806)
Non-controlling interest		(262,211)	(1,385,791)
<b>Total equity</b>		<b>5,576,287</b>	<b>781,390</b>

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

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Consolidated statement of changes in equity  
for the year ended 30 June 2019

		Issued Capital \$	Accumulated Losses \$	Business Combination under Common Control \$	Foreign Exchange Translation Reserve \$	Contingent Consideration Reserve \$	Option Reserve \$	Non- controlling Interest (NCI) \$	Total \$
Balance at 1 July 2017		15,457,337	(10,965,267)	(4,701,018)	(205,570)	-	129,342	(928,881)	(1,214,057)
Loss for the year attributable owners of the parent		-	(3,025,974)	-	-	-	-	(339,205)	(3,365,179)
Other comprehensive income for the period attributable owners of the parent		-	-	-	(20,145)	-	-	(7,771)	(27,916)
Total comprehensive income for the year attributable owners of the parent		-	(3,025,974)	-	(20,145)	-	-	(346,976)	(3,393,095)
Transaction with owners, directly in equity									
Shares issued during the year	5.1.1	3,773,638	-	-	-	-	-	-	3,773,638
Contingent consideration on acquisition of a subsidiary		-	-	-	-	841,500	-	-	841,500
Options issued during the year	5.2	-	-	-	-	-	773,404	-	773,404
Expiration of options	5.2	-	38,086	-	-	-	(38,086)	-	-
Disposal of subsidiary and transfers from NCI and BCUCC Reserves		-	(1,491,651)	1,601,585	-	-	-	(109,934)	-
Balance at 30 June 2018		19,230,975	(15,444,806)	(3,099,433)	(225,715)	841,500	864,660	(1,385,791)	781,390
Balance at 1 July 2018		19,230,975	(15,444,806)	(3,099,433)	(225,715)	841,500	864,660	(1,385,791)	781,390
Profit for the year attributable owners of the parent		-	1,015,279	-	-	-	-	247,793	1,263,072
Other comprehensive income for the year attributable owners of the parent		-	-	-	(131,824)	-	-	-	(131,824)
Total comprehensive income for the year attributable owners of the parent		-	1,015,279	-	(131,824)	-	-	247,793	1,131,248
Transaction with owners, directly in equity									
Shares issued during the year, net of transaction costs	5.1.1	3,132,522	-	-	-	-	-	-	3,132,522
Contingent consideration converted to issued capital		841,500	-	-	-	(841,500)	-	-	-
Options issued during the year	5.2	-	-	-	-	-	185,372	-	185,372
Performance rights issued during the year	5.3	-	-	-	-	-	345,755	-	345,755
Expiration of options	5.2	-	179,936	-	-	-	(179,936)	-	-
Disposal of subsidiary and transfers from NCI and BCUCC Reserves		-	(3,975,220)	3,099,433	-	-	-	875,787	-
Balance at 30 June 2019		23,204,997	(18,224,811)	-	(357,539)	-	1,215,851	(262,211)	5,576,287

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**Consolidated statement of cash flows**

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		8,008,498	7,829,894
Research and Development grants received		163,886	352,575
Interest received		3,227	1,486
Interest and borrowing costs		110,443	(15,806)
Payments to suppliers and employees		(10,706,668)	(9,966,223)
Income tax expense		813	(16,757)
<b>Net cash used in operating activities</b>	3.1.1a	<b>(2,419,801)</b>	<b>(1,814,831)</b>
Cash flows from investing activities			
Payments for property, plant, and equipment		(639)	(29,072)
Payments for intangible assets		(693,214)	(157,095)
Net cash (disposed of) / acquired on disposal of subsidiary		(12,296)	(43,132)
Net cash acquired on acquisition of subsidiary		-	201
Payments for purchase of investments		-	(931,138)
<b>Net cash used in investing activities</b>		<b>(706,149)</b>	<b>(1,160,236)</b>
Cash flows from financing activities			
Proceeds from issue of shares		3,310,737	2,731,780
Payments for transaction costs		(39,964)	-
Proceeds from borrowings		106,536	278,540
<b>Net cash provided by financing activities</b>		<b>3,377,309</b>	<b>3,010,320</b>
<b>Net increase/(decrease) in cash held</b>		<b>251,359</b>	<b>35,253</b>
Cash and cash equivalents at the beginning of the year		282,077	236,899
Change in foreign currency held		617	9,925
<b>Cash and cash equivalents at the end of the year</b>	3.1	<b>534,053</b>	<b>282,077</b>

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

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**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2019

Note	1	Revenue and other income	Note	2019 \$	2018 \$
1.1		<b>Revenue</b>			
		Sales		503,811	333,132
		Interest revenue		227	161
				504,038	333,293
1.2		<b>Other Income</b>			
		Foreign exchange gain / (loss)		364	(8)
		Gain on forgiveness of liabilities		-	834,993
		Gain on sale of subsidiaries		-	(81,476)
		Gain / (loss) on fair value of investment		201,139	(365,247)
		Other losses / (income)		(2,889)	32,261
				198,614	420,523
Note	2	<b>Loss before income tax</b>		2019 \$	2018 \$
The following significant revenue and expense items are relevant in explaining the financial performance:					
2.1		<b>Depreciation and amortisation:</b>			
		⌘ Depreciation of plant and equipment		6,268	3,055
		⌘ Amortisation of intangibles		54,559	273,676
				60,827	276,731
2.2		<b>Impairment:</b>		2019 \$	2018 \$
		⌘ Intangible assets		-	443,978
		⌘ Receivables		-	33,582
		⌘ Other		4,918	-
				4,918	477,560
2.3		<b>Employment costs</b>		2019 \$	2018 \$
		⌘ Contractors and consultants		221,103	721,281
		⌘ Directors fees		112,902	54,750
		⌘ Increase in employee benefits provisions		40,883	18,123
		⌘ Superannuation and National Insurance Contributions		68,657	58,489
		⌘ Wages and salaries		1,060,848	435,263
		⌘ Other employment related costs / (recoveries)		33,033	(753)
				1,537,426	1,287,153

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**Notes to the Appendix 4E preliminary final report**

for the year ended 30 June 2019

**Note 3 Financial assets and financial liabilities**

3.1	Cash and cash equivalents	2019	2018
		\$	\$
	Cash at bank	534,053	282,077
		534,053	282,077
3.1.1	Cash Flow Information	2019	2018
		\$	\$
a.	<b>Reconciliation of cash flow from operations to loss after income tax</b>		
	Loss after income tax	1,263,072	(3,365,179)
	Cash flows excluded from loss attributable to operating activities		
	<i>Non-cash flows in (loss)/profit from ordinary activities:</i>		
	▲ Amounts payable forgiven	-	(973,862)
	▲ Depreciation and amortisation	60,827	294,503
	▲ Fair value adjustments	(1,834,197)	373,047
	▲ Loss / (gain) of sale of subsidiaries	(3,291,921)	81,476
	▲ Impairment	7,113	740,290
	▲ Payables of the Group settled through loans	-	12,500
	▲ Share-based payments	531,127	773,404
	▲ Share of associates loss	86,376	-
	<i>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</i>		
	▲ (Increase)/decrease in trade and other receivables	517,787	(576,939)
	▲ Decrease/(increase) in other receivable and prepayments	(83,218)	(28,560)
	▲ Increase in trade and other payables	114,553	915,756
	▲ Increase/decrease in provisions	112,711	1,732
	▲ (Decrease)/increase in taxes	95,969	(62,999)
	Cash flow (used in)/generated from operations	(2,419,801)	(1,814,831)
3.2	Trade and other receivables	2019	2018
		\$	\$
3.2.1	<b>Current</b>		
	Trade debtors	7,264	642,231
	Other receivables	29,695	19,779
	Less: Provision for Impairment	-	(141,797)
		36,959	520,213

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**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2019

<b>Note 3 Financial assets and financial liabilities (cont.)</b>			
<b>3.3</b>	<b>Financial assets</b>	<b>2019</b> \$	<b>2018</b> \$
3.3.1	<i>Non-current</i>		
	Managed Investment – available for sale	1,359,340	818,091
	Loans receivable	1,688,524	-
	Convertible notes receivable	1,111,506	-
		<b>4,159,370</b>	<b>818,091</b>
<b>3.4</b>	<b>Trade and other payables</b>	<b>2019</b> \$	<b>2018</b> \$
3.4.1	<i>Current</i>		
	<i>Unsecured</i>		
	Trade payables	473,129	481,423
	Other payables	436,650	138,844
	Employment liabilities	714,238	477,108
	Value-added and other taxes (collectible) / payable	(1,458)	810,914
	Investment funds payable Scout	356,481	-
	Deferred revenue	128,064	-
	Application funds received	268,250	-
		<b>2,375,354</b>	<b>1,908,289</b>
<b>3.5</b>	<b>Borrowings</b>	<b>2019</b> \$	<b>2018</b> \$
3.5.1	<i>Current</i>		
	Loans – non-director related parties	1,966	89,662
		<b>1,966</b>	<b>89,662</b>
<b>Note 4 Non-financial assets and financial liabilities</b>			
<b>4.1</b>	<b>Property, plant, and equipment</b>	<b>2019</b> \$	<b>2018</b> \$
	Plant and equipment	34,146	50,600
	Accumulated depreciation	(14,630)	(25,455)
		<b>19,516</b>	<b>25,145</b>
<b>4.2</b>	<b>Intangible assets</b>	<b>2019</b> \$	<b>2018</b> \$
	Goodwill – Acquisition	1,157,482	1,157,482
	Goodwill	889,266	889,266
	Accumulated impairment	(889,266)	(889,266)
	Contractual right to cash flows from management fees	712,902	-
	Intellectual property – software ( <b>IP Software</b> )	53,573	53,573
	Less: Accumulated amortisation	(108,132)	(50,256)
		<b>1,815,825</b>	<b>1,160,799</b>

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Notes to the Appendix 4E preliminary final report

for the year ended 30 June 2019

**Note 4 Non-financial assets and financial liabilities (cont.)**

4.3 Provisions	2019	2018
	\$	\$
4.3.1 <b>Disclosed as:</b>		
▲ Current	140,452	30,707
Carrying amount at the end of year	140,452	30,707

**Note 5 Equity**

5.1 Issued capital	Note	2019 No.	2018 No.	2019 \$	2018 \$
Fully paid ordinary shares at no par value		31,794,962	222,527,802	22,683,852	19,230,975
5.1.1 <b>Ordinary shares</b>		2019 No.	2018 No.	2019 \$	2018 \$
At the beginning of the year		222,527,802	123,381,201	19,230,975	15,457,337
Shares issued during the year:					
▲ 14 Jul 2017 <i>Issue of shares</i>		-	13,975,000	-	277,000
▲ 4 Oct 2017 <i>Debt Forgiveness</i>		-	14,078,785	-	563,145
▲ 4 Oct 2017 <i>Debt Forgiveness - KMP</i>		-	3,592,816	-	143,713
▲ 15 Nov 2017 <i>Placement</i>		-	30,000,000	-	1,050,000
▲ 28 Feb 2018 <i>Placement</i>		-	30,000,000	-	1,492,870
▲ 6 Mar 2018 <i>Acquisition of Highline Alternative Investments Pty Ltd</i>		-	7,500,000	-	330,000
▲ 16 Aug 2018 <i>Placement</i>		22,671,000	-	1,020,195	-
▲ 12 Sep 2018 <i>Placement</i>		4,036,110	-	181,625	-
▲ 26 Sep 2018 <i>Placement</i>		6,200,000	-	279,000	-
▲ 24 Oct 2018 <i>Placement</i>		5,555,556	-	250,000	-
▲ 11 Dec 2018 <i>Share Consolidation</i>	5.1.2	(234,891,281)	-	-	-
▲ 14 Dec 2018 <i>Placement</i>		1,005,575	-	462,565	-
▲ 14 Dec 2018 <i>Contingent Consideration share issue</i>		750,000	-	280,500	-
▲ 27 Dec 2018 <i>Placement</i>		359,200	-	164,787	-
▲ 15 Jan 2019 <i>Placement</i>		110,500	-	50,830	-
▲ 21 Jan 2019 <i>Placement</i>		670,000	-	308,200	-
▲ 26 Jun 2019 <i>Placement</i>		1,300,500	-	455,175	-
▲ 26 Jun 2019 <i>Contingent Consideration share issue</i>		1,500,000	-	561,000	-
Transaction costs relating to share issues		-	-	(39,855)	(83,090)
At reporting date		31,794,962	222,527,802	23,204,997	19,230,975

5.1.2 The Company completed its 10:1 share consolidation in December 2018 following approval by shareholders in November 2018. The share consolidation involved the conversion of every 10 fully paid ordinary shares on issue into 1 fully paid ordinary share. Where the share consolidation resulted in a shareholder having a fractional entitlement to a share, the entitlement was rounded up to the next whole number of shares. Upon the completion of the share consolidation in December 2018, the number of shares on issue reduced from 260,990,468 shares to 26,099,047 shares as at that date

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**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2019

**Note 5 Equity (cont.)**

**5.2 Options**

For information relating to the Auctus Alternative Investments Limited scheme, including details of options issued, issued and lapsed during the financial year, and the options outstanding at balance date, refer to Note 8 Share-based Payments. The total number of options on issue are as follows:

	2019 No.	2018 No.
Unlisted options	10,542,605	68,250,000
At the beginning of the period	68,250,000	45,285,000
▲ 19 Sep 2017 Issue through share-based payment*	-	67,250,000
▲ 30 Nov 2017 Expiration of Performance A and B options	-	(25,000,000)
▲ 30 Nov 2017 Expiration of Corporate Adviser options	-	(1,500,000)
▲ 31 Dec 2017 Expiration of Corporate Adviser options	-	(500,000)
▲ 19 Feb 2018 Expiration of Corporate Adviser options	-	(5,785,000)
▲ 31 May 2018 Expiration of Corporate Adviser options	-	(10,000,000)
▲ 31 May 2018 Cancellation of Employee Options	-	(1,500,000)
▲ 24 Oct 2018 Placement ex\$0.10	13,353,555	-
▲ 21 Nov 2018 Director Options	30,000,000	-
▲ 11 Dec 2018 Share Consolidation	(100,443,200)	-
▲ 29 Nov 2018 Free attaching options	310,000	-
▲ 29 Nov 2018 Free attaching options	22,250	-
▲ 31 Dec 2018 Expiration Options	(250,000)	-
▲ Cancellation of options	(700,000)	-
At reporting date	10,542,605	68,250,000

\*Grant date above is 19 September 2017 in accordance with AASB 2, the options were issued on 4 October 2017.

**5.3 Performance shares**

	2019 No.	2018 No.
At the beginning of the period	-	-
▲ 29 Nov 2018 Issue of Performance Shares	25,000,000	-
▲ 11 Dec 2018 Share Consolidation	(22,500,000)	-
▲ 23 May 2019 Issue of Performance Shares	1,600,000	-
At reporting date	4,100,000	-

**5.4 Reserves**

	2019 \$	2018 \$
Business combination under common control reserve	-	(3,099,433)
Contingent consideration reserve	-	841,500
Foreign exchange reserve	(357,539)	(225,715)
Option reserve	1,215,851	864,660
	858,312	(1,618,988)

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**Notes to the Appendix 4E preliminary final report**

for the year ended 30 June 2019

Note	6	Discontinued Operations		
6.1		<b>Sale of Wondr.it Limited (Wondr)</b>		
		On 21 August 2018, Wondr was dissolved from the Companies House register in the UK. This was a dormant entity with minimal operations up to dissolution date. No cash was received upon dissolution.		
6.2		<b>Sale of controlling interesting in Gophr Limited (Gophr)</b>		
		On 31 May 2019, the Company completed a Share Purchase Agreement (SPA) to sell down its 75% equity in Gophr to 32.5%. Comparative balances in the Statement of Comprehensive income have been adjusted for this disposal.		
6.2.1		The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:	2019	2018
			\$	\$
		Revenue and other income	5,692,066	3,843,465
		Expenses	(6,058,654)	(4,641,962)
		Loss before income tax	(366,588)	(798,497)
		Income tax benefit / (expense)	-	(3,294)
		Loss after income tax of discontinued operation	(366,588)	(801,791)
		Gain on sale of the subsidiary after income tax	4,890,694	-
		Profit / (loss) from discontinued operation	4,524,106	(801,791)
6.3		<b>Discontinuation of Boppl (Australia) Pty Ltd (Boppl AU)</b>		
		On 2 May 2019, the directors of Boppl AU placed the company into Voluntary Administration, and accordingly has been treated as a discontinued operation. Comparative balances in the Statement of Comprehensive income have been adjusted for this discontinuation. The company was subsequently placed into liquidation. As the liquidation has not yet been finalised, the assets and liabilities of Boppl AU have not been disposed of for the year ended 30 June 2019.		
6.3.1		The financial performance of the discontinued operation to the operations were ceased, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:	2019	2018
			\$	\$
		Revenue and other income	117,817	212,537
		Expenses (net)	(263,654)	(367,638)
		Loss before income tax	(145,837)	(155,101)
		Income tax benefit / (expense)	-	-
		Loss after income tax	(145,837)	(155,101)
		Loss from discontinued operation	(145,837)	(155,101)
6.4		<b>Liquidation of Boppl (UK) Ltd (Boppl UK)</b>		
		On 2 April 2019, the Company liquidated is subsidiary Boppl UK, and accordingly has been treated as a discontinued operation. Comparative balances in the Statement of Comprehensive income have been adjusted for this disposal.		
6.4.1		The financial performance of the discontinued operation to the operations were ceased, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:	2019	2018
			\$	\$
		Revenue and other income	-	139,365
		Expenses (net)	-	(7,565)
		Profit before income tax	-	131,800
		Income tax benefit / (expense)	-	-
		Profit after income tax	-	131,800
		Total profit after income tax attributable to the discontinued operation	-	131,800

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**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2019

**Note 6 Discontinued Operations**

**6.5 Sale of Prism Digital Limited (Prism)**

On 29 June 2018, the Company completed a Share Purchase Agreement (SPA) to sell its 60% equity in Prism to a founding partner of Prism. Comparative balances in the Statement of Comprehensive income have been adjusted for this disposal.

6.5.1	2018
The financial performance of the discontinued operation to the date of sale, which is included in the profit/(loss) from the discontinued operations per the statement of comprehensive income, is as follows:	\$
Revenue	2,977,571
Expenses	(2,980,240)
Loss / profit before income tax	(2,669)
Income tax benefit / (expense)	31,872
Profit after income tax	29,203
Total profit after income tax attributable to the discontinued operation	29,203

**Note 7 Investment in associates**

**7.1 Information about associates**

7.1.1 Set out below are the associates and joint ventures of the group as at 31 December 2018 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

a. Associates

	Country of Incorporation	Measurement method	Percentage Owned		Carrying Amount	
			2019 %	2018 %	2019 \$	2018 \$
▲ Gophr Limited	United Kingdom	Equity method	29%	75.0%	1,543,365	N/A
					1,543,365	-

**Note 8 Share-based payments**

**8.1 Share-based payments:**

Share-based payment expense / (cancellation) recognised in contractors' and consultants' costs

Share-based payment expense

Share-based payment expense recognised in profit or loss

Note	2019	2018
	\$	\$
	-	(7,849)
	531,127	781,253
	531,127	773,404

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