



Cape Range Limited

ACN: 009 289 481

Half Year Financial Report for the Six Months
Ended 30 June 2021

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Corporate Information

ASX Code: CAG

Directors

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

Company Secretary

Mr Michael Higginson

Registered Office

36 Prestwick Drive
 Twin Waters Queensland 4564
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 Fax: +61 7 5457 0557

Share Registry

Advanced Share Registry
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 Nedlands, Western Australia 6009
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Principal Place of Business

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Auditors

Hall Chadwick
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 2 Park Street
 Sydney NSW 2000
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Directors' Report

The Directors submit their report on Cape Range Limited (the "Company" or "CAG") for the half year ended 30 June 2021.

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

Directors

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

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

Review and Results of Operations

The loss after tax for the half year ended 30 June 2021 attributable to the members of the Company was \$519,385 (30 June 2020: Loss of \$938,729).

During the half year, the Company's Malaysian operations were significantly impacted by COVID-19 resulting in a 20% revenue reduction and a provision for impairment of intangible assets of \$234,564 (MYR722,775).

On 18 March 2020, the Malaysian Government implemented a Movement Control Order (**MCO**) to curb the spread of COVID-19. The MCO has remained in place in Malaysia, in various forms, throughout the half year.

During the MCO, Biztrak employees have been required to work from home and business travel has been cancelled, which has negatively impacted sales activities.

During the June 2021 quarter, Malaysia witnessed a resurgence of the COVID-19 pandemic, with daily new infections increasing from approximately 1,500 per day in early April to in excess of 25,000 per day in late August 2021. This resurgence resulted in the Malaysian government declaring a full lock down on 1 June 2021.

This surge in COVID-19 cases has adversely impacted the entire country and caused a continued decline in domestic demand and resulted in many businesses becoming financially stressed, with many being unviable. At present, there is no confirmation as to the end date of the lockdown. Uncertainty and business confidence is at a low, which is adversely impacting spending decisions across all industries nationwide.

Despite the significant decline in the Malaysian economy, the Company is pleased to be able to report that all Biztrak employees have been retained, without pay cuts or retrenchment. No recruitment of new staff is planned.

The Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Company will also implement appropriate and timely measures to minimise the impact of the outbreak on the operations of the Company.

The strategic direction of the Company, however, remains committed to its technology focus, being the Malaysian based Biztrak business and its continued development and growth. The operational objectives of Biztrak have been focused on tightly controlling costs as the impact of COVID-19 across Asia escalates.

Subsequent Events

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

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 30 June 2021 has been received and can be found on page 11.

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

On behalf of the Directors


Wayne Johnson
Director and Chairman

Date: 31st day of August 2021

CAPE RANGE LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six Months Ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		\$	\$
Revenue		232,049	291,207
Cost of sales		(9,641)	(9,982)
Gross Profit		222,408	281,225
Other income		25,758	53,000
Total other income		25,758	53,000
Administration expenses		401,712	437,450
Marketing and promotional expenses		231	822
Depreciation and amortization expenses		51,461	119,181
Other operating expenses		57,661	48,343
Provision for doubtful debts		-	10,241
Provision for impairment of intangible assets		234,564	651,126
Finance costs		5,371	5,791
Total expenses		751,000	1,272,954
Net (loss) for the period		(502,834)	(938,729)
Income tax expense		16,551	-
Net (loss) after income tax expense for the period		(519,385)	(938,729)
Exchange differences on translating foreign operations		12,997	11,228
Total comprehensive (loss) for the period		(506,388)	(927,501)
Basic earnings per share		(0.55)	(1.07)
Diluted earnings per share		(0.55)	(1.07)

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

CAPE RANGE LIMITED

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 \$	31 December 2020 \$
Current Assets			
Cash and cash equivalents		3,269,828	3,553,711
Trade and other receivables		85,903	114,208
Total Current Assets		3,355,731	3,667,919
Non-current Assets			
Plant and equipment		48,409	57,880
Right-of-use assets		16,608	24,180
Intangible assets		297,246	465,037
Total Non-current Assets		362,263	547,097
Total Assets		3,717,994	4,215,016
Current Liabilities			
Trade and other payables		132,476	141,540
Lease liabilities		13,669	13,722
Deferred revenue		185,175	161,576
Income tax liabilities		-	-
Borrowings		27,021	28,426
Total Current Liabilities		358,341	345,264
Non-current Liabilities			
Deferred tax liabilities		51,752	35,484
Lease liabilities		3,613	10,789
Borrowings		53,992	66,794
Total non-current Liabilities		109,357	113,067
Total Liabilities		467,698	458,331
Net Assets		3,250,296	3,756,685
Equity			
Issued capital	6	21,048,346	21,048,346
Foreign currency translation reserve		70,863	57,866
Accumulated losses		(17,868,913)	(17,349,527)
Total Equity		3,250,296	3,756,685

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

CAPE RANGE LIMITED

Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2021

	Issued Capital Ordinary Shares	Foreign Currency Translation Reserve	Unissued Share Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 01/01/2020	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329
Foreign exchange translation reserve	-	11,228	-	-	11,228
Loss for the period	-	-	-	(938,729)	(938,729)
Total comprehensive loss for the year	-	11,228	-	(938,729)	(927,501)
Transactions with owners, in their capacity as owners and other transfers					
Ordinary shares issued on conversion of performance rights	7,650,000	-	(7,650,000)	-	-
Cost of issue	(18,911)	-	-	-	(18,911)
Balance at 30/6/2020	21,048,346	85,313	-	(16,712,742)	4,420,917
Balance at 01/01/2021	21,048,346	57,866	-	(17,349,527)	3,756,685
Loss for the period	-	-	-	(519,385)	(519,385)
Foreign exchange translation reserve	-	12,997	-	-	12,997
Total comprehensive loss for the year	-	12,997	-	(519,385)	(506,388)
Balance at 30/06/2021	21,048,346	70,863	-	(17,868,913)	3,250,296

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

CAPE RANGE LIMITED

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2021

	30 June 2021	30 June 2020
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	224,969	510,241
Payments to suppliers and employees	(465,313)	(633,627)
Payment of income tax	(609)	(1,483)
Interest income	38,938	28,215
Finance costs	(5,371)	(5,791)
Other government grants	46,130	-
Net cash from/(used in) operating activities	(161,256)	(102,445)
Cash Flows from Investing Activities		
Payments for property, plant & equipment	(1,350)	-
Payments for intangibles	(99,841)	(110,039)
Net cash (used in) investing activities	(101,191)	(110,039)
Cash Flows from Financing Activities		
Repayment of lease liabilities	(7,229)	(10,039)
Cost of issue of shares	-	(18,911)
Repayment of term loan	(14,207)	(6,754)
Net cash (used in) financing activities	(21,436)	(35,704)
Net decrease in cash and cash equivalents	(283,883)	(248,188)
Cash and cash equivalents at beginning of period	3,553,711	4,011,445
Cash and cash equivalents at end of period	3,269,828	3,763,257

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

CAPE RANGE LIMITED

Notes to the Financial Statements

For the Six Months Ended 30 June 2021

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 36 Prestwick Drive, Twin Waters, Queensland 4564.

2. Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and considered together with any public announcements made by Cape Range Limited during the half year ended 30 June 2021.

3. Basis of Preparation

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

The half-year financial report does not include all the types of notes normally included within the annual financial report and therefore cannot be expected to provide as full understanding of the financial position, financial performance and financing and investing activities of the Company as the year-end financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 31 December 2020 and the previous corresponding half-year period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Presentation currency

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

4. Impact of COVID-19

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

On 18 March 2020, the Malaysian Government implemented a Movement Control Order (MCO) to curb the spread of COVID-19. The MCO has remained in place in Malaysia, in various forms, throughout the half year.

During the MCO, Biztrak employees have been required to work from home and business travel has been cancelled, which has negatively impacted sales activities.

During the June 2021 quarter, Malaysia witnessed a resurgence of the COVID-19 pandemic, with daily new infections increasing from approximately 1,500 per day in early April to in excess of 25,000 per day in late August 2021. This resurgence resulted in the Malaysian government declaring a full lock down on 1 June 2021.

This surge in COVID-19 cases has adversely impacted the entire country and caused a continued decline in domestic demand and resulted in many businesses becoming financially stressed, with many being unviable. At present, there is no confirmation as to the end date of the lockdown. Uncertainty and business confidence is at a low, which is adversely impacting spending decisions across all industries nationwide.

Despite the significant decline in the Malaysian economy, the Company is pleased to be able to report that all Biztrak employees have been retained, without pay cuts or retrenchment. No recruitment of new staff is planned.

5. Going Concern

The half year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group made an operating loss before tax of \$519,385 (30 June 2020: Loss of \$938,729) for the period. The Group had net assets of \$3,250,296 as at 30 June 2021 (31 December 2020 \$3,756,685). The Group has sufficient cash to pay its debts as and when they fall due. At 30 June 2021, the Company had \$3,269,828 in cash.

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

CAPE RANGE LIMITED

Notes to the Financial Statements

For the Six Months Ended 30 June 2021

6. Share Capital

	30 June 2021	30 June 2021	31 Dec 2020	31 Dec 2020
	No.	\$	No.	\$
(a) Ordinary Shares				
Fully paid ordinary shares	<u>94,908,301</u>	<u>21,048,346</u>	<u>94,908,301</u>	<u>21,048,346</u>

30 June 2021

	No.	\$
Issue of ordinary shares during the period		
Balance as at 1 January 2020	<u>94,908,301</u>	<u>21,048,346</u>
Issued capital as at 30 June 2021	<u>94,908,301</u>	<u>21,048,346</u>

Ordinary shares

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

7. Segment Information

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

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

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

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

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

CAPE RANGE LIMITED

Notes to the Financial Statements

For the Six Months Ended 30 June 2021

	Australia \$	Malaysia \$	Eliminations \$	Total \$
Period ended 30 June 2020				
Revenue from external customers	-	291,207	-	291,207
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(209,136)	(729,593)	-	(938,729)
Period ended 30 June 2021				
Revenue from external customers	-	232,049	-	232,049
Inter-segment revenue	-	-	-	-
Reportable segment (loss) before tax	(236,126)	(283,259)	-	(519,385)
Reportable segment assets at 30 June 2020	15,552,402	1,299,493	(11,936,500)	4,915,395
Reportable segment assets at 30 June 2021	15,147,002	557,494	(11,986,500)	3,717,994
Reportable segment liabilities at 30 June 2020	125,733	648,922	(280,177)	494,478
Reportable segment liabilities at 30 June 2021	133,420	674,545	(340,267)	467,698

8. Subsequent Events

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

Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 3 to 9 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the six months ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2021

On behalf of the Board



Wayne Johnson
Director

Date: 31st day of August 2021

CAPE RANGE LIMITED
ABN 43 009 289 481

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Cape Range Limited, which comprises the consolidated statement of financial position as at 30 June 2021, 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 half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of Cape Range Limited's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of Cape Range Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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CAPE RANGE LIMITED
ABN 43 009 289 481

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

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

H M Chadwick

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

G Webb

Graham Webb
Partner

Dated: 31 August 2021

CAPE RANGE LIMITED
ABN 43 009 289 481

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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In accordance with S307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cape Range Limited. As the lead audit partner for the review of the financial report of Cape Range Limited for the half-year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Hall Chadwick

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

Graham Webb

Graham Webb

Partner

Dated: 31 August 2021

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