

# Motopia Limited

ABN 67 099 084 143

## Appendix 4D

### Half-Year Ended 31 December 2014

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- Results For Announcement To The Market
- Half-Year Financial Report
- Independent Review Report

# Appendix 4D

## Half-Year Report

Name of Entity

**Motopia Limited**

ABN or equivalent company reference	Half-Yearly (tick)	Preliminary final (tick)	Financial Year Ended ('current period')
A.B.N. 67 099 084 143	✓		6 months ended 31 Dec 14

### Results for announcement to the market

<b>Results</b>	A \$'000	
Total Revenues	Down	0% to \$0
Net loss for the period attributable to members	Up	101.68% to \$1,272,067

Dividends	Amount per security	Franked amount per security
Final dividend - no dividend is proposed	N/A	N/A
Previous corresponding period - no dividend declared	N/A	N/A
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	N/A	

NTA backing	Current period	Previous corresponding period
Net tangible assets backing per ordinary security	0.0078 cents	0.0003 cents

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#### Explanation of Net Loss

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$1,272,067 (2013 December loss: \$630,739).

**1. Details of entity over which control has been gained or lost during the period:**

On 18th July 2014 the company acquired 44% of the shares in CU2 Global Pty Ltd ("CU2G") via the issue of 250,000,000 Motopia shares. A further 109,821,429 shares were issued on 11th November 2014 to acquire a further 41% of the shares in CU2G. As a result Motopia holds 85% of the equity in CU2G and gained control on 11 November 2014.

**2. Details of individual and total dividends or distribution payments. The details must include the date on which each dividend or distribution is payable, and if known the amount per security of foreign sourced dividend or distribution.**

Not applicable - no dividends have been declared or paid.

**3. Details of any dividends or distribution reinvestment plans in operations and the last date for receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

Not applicable

**4. Details of associated joint venture entities**

Not applicable

**This report is based on:**

The financial report has been reviewed by an independent auditor.

Sign here:



Date: 27 February 2015

Print Name: Justyn Stedwell (Company Secretary)

MOTOPIA LIMITED  
AND ITS  
CONTROLLED ENTITIES  
ABN: 67 009 084 143

# FINANCIAL REPORT

HALF-YEAR ENDED  
31 DECEMBER 2014

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# Corporate Information

This half-year report covers the Motopia Group comprising Motopia Limited and its subsidiaries. The Group's functional and presentation currency is AUD (\$).

## DIRECTORS

Mr Marcus L'Estrange (Chairman, appointed as Non-Executive Director on 12 November 2014)

Mr Gernot Abl (Non-Executive Director)

Mr Lindsay Brown (Non-Executive Director, Resigned 15 August 2014)

Mr Steven Dale (Non-Executive Director)

Mr Robert Parton (Non Executive Director)

## COMPANY SECRETARY

Mr Justyn Stedwell

## REGISTERED OFFICE

Suite 313, Pacific Towers  
737 Burwood Road  
Hawthorn East VIC 3123  
Phone: 1300 646 546  
Fax: +61 2 9012 0801

## SHARE REGISTER

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3207  
Phone: 1300 364 826 (within Australia)  
+61 3 9415 4610 (outside Australia)

## AUDITORS

BDO East Coast Partnership  
Level 14, 140 William Street  
Melbourne VIC 3000  
Phone: +61 3 9603 1700  
Fax: +61 3 9602 3870

## STOCK EXCHANGE LISTING

The company is listed on the Australia Securities Exchange Limited  
ASX Code - MOT

## WEBSITE ADDRESS

[www.motopia.com](http://www.motopia.com)

## PRINCIPAL PLACE OF BUSINESS

Suite 313, Pacific Towers  
737 Burwood Road  
Hawthorn East VIC 3123  
Phone: 1300 646 546  
Fax: +61 2 9012 0801

## BANKERS

Westpac Banking Corporation  
360 Collins Street  
Melbourne VIC 3000  
Phone: +61 3 9608 3205  
Fax: +61 3 9608 4343

## SOLICITORS

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

# Directors' Report

Your Directors present their report on the consolidated entity consisting of Motopia Ltd ("Motopia Ltd" and the entities it controlled) for the half year ended 31 December 2014.

## DIRECTORS

The names of the company's directors in office at any time during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Mr Marcus L'Estrange (Chairman, appointed as Non-Executive Director on 12 November 2014)

Mr Gernot Abl (Non-Executive Director)

Mr Lindsay Brown (Non-Executive Director, Resigned 15 August 2014)

Mr Steven Dale (Non-Executive Director)

Mr Robert Parton (Non Executive Director)

## REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss for the half-year after income tax attributable to members of the parent entity amounted to \$1,272,067 (2013 loss: 630,739).

### Operational Update

During the period the company has continued to rigorously examine and review the consolidated entity cost structure going forward. Monthly running costs associated with the consolidated entity have been maintained at a reduced level. The consolidated entities liabilities have also been significantly reduced and are been managed.

The company has entered into an agreement Cirralto Pty Ltd ("Cirralto") to commercially deploy the 2SQL software platform via the cloud. MOT's 2SQL software is capable of automatic migration and conversion of Microsoft Access Applications and Databases to Microsoft SQL Server. The solution itself can reside either on the customer's premises, or on the customer's own Windows Azure Cloud Portal.

The agreement with Cirralto enables MOT to deliver a cloud based offering of the 2SQL platform to a global audience, thereby reducing the need for physical installations and configurations of 2SQL, to perform 2SQL conversion projects.

The cloud offering far extends the capability of the 2SQL platform, allowing businesses in any part of the world to upload their Microsoft Access Applications to the cloud platform, run the 2SQL cloud application and download the converted solution to either an on premise environment or to another private Windows Azure Portal. This will give the company the reach and the capacity to scale the 2SQL software to make possible the conversion of thousands or even hundreds of thousands of Microsoft Access Applications yearly.

In addition, Cirralto will provide dedicated helpdesk and support services to 2SQL customers utilising the cloud environment and will deliver both technical and sales expertise to 2SQL that the directors of MOT expect will enable this opportunity to flourish. The company expects to release the platform in early 2015 concurrently with a new data centric pricing plan that aligns the 2SQL cloud offering with Platform as a Service (PaaS) and Software as a Service (SAAS) vendors.

In addition, during the period the company, in conjunction with Raptor Global Corporation, has successfully completed capital raisings for approximately \$550,250.

## Directors' Report (Continued)

### Matters subsequent to reporting period

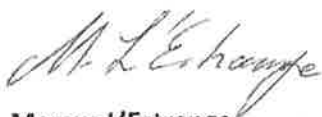
Since 31 December 2014 Marcus L'Estrange was appointed as Non-Executive Chairman. Marcus is a director of Raptor Global Corporation Ltd and was appointed a director of Motopia in November 2014. The former Chairman Stephen Dale will continue as a Non-executive Director.

No other significant events have occurred since the end of the reporting period.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Signed in accordance with a resolution of the directors.



**Marcus L'Estrange**  
Chairman

Date: 27<sup>th</sup> February 2015

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**DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF MOTOPIA LIMITED**

As lead auditor for the review of Motopia Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Alex Swansson  
Partner

**BDO East Coast Partnership**

Melbourne, 27 February 2015

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue from continuing		-	-
<b>TOTAL REVENUE</b>		-	-
Other income		1,001	950
Employee expense including share based payments		(56,485)	(82,109)
Depreciation , amortisation and impairment	3	(1,057,221)	(194,444)
Consulting fees		(89,870)	(111,237)
Legal and other professional fees		(39,278)	(72,261)
Regulatory and listing costs		(40,265)	(45,687)
Occupancy expenses		(14,407)	(10,280)
Other expenses		(34,786)	(23,602)
Finance gain/(costs)	3	59,734	(92,069)
Share of net losses from associates		(490)	-
<b>Loss before Income Tax</b>		<b>(1,272,067)</b>	<b>(630,739)</b>
Income tax expense		-	-
Loss after income tax expense		(1,272,067)	(630,739)
<b>Loss for the period after income tax attributable to owners at Motopia Ltd</b>		<b>(1,272,067)</b>	<b>(630,739)</b>
Other comprehensive loss for the half year, net of tax		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF MOTOPIA LTD</b>		<b>(1,272,067)</b>	<b>(630,739)</b>
<b>Loss per share for the half-year attributable to the members of Motopia Ltd</b>			
- Basic (loss) per share (cents per share)		(0.0350)	(0.0007)
-Diluted (loss) per share (cents per share)		(0.0350)	(0.0007)

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

# Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2014

	Notes	31 Dec 2014	30 June 2014
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		359,693	339,532
Trade and other receivables		101,694	488,510
Other current assets		21,308	-
<b>Total current assets</b>		<b>482,695</b>	<b>828,042</b>
<b>Non-current assets</b>			
Property, plant & equipment		9,361	-
Investments		-	490
Intangible assets		5,500	149,944
<b>Total non-current assets</b>		<b>14,861</b>	<b>150,434</b>
<b>TOTAL ASSETS</b>		<b>497,556</b>	<b>978,476</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		111,014	144,946
<b>Total current liabilities</b>		<b>111,014</b>	<b>144,946</b>
<b>TOTAL LIABILITIES</b>		<b>111,014</b>	<b>144,946</b>
<b>NET ASSETS</b>		<b>386,542</b>	<b>833,530</b>
<b>EQUITY</b>			
Contributed equity	6	44,038,576	43,213,497
Treasury Shares	6	(20,000)	(20,000)
Options Reserves	6	-	288,889
Accumulated losses		(43,619,555)	(42,648,856)
Non-controlling interests		(12,479)	-
<b>TOTAL EQUITY</b>		<b>386,542</b>	<b>833,530</b>

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

# Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed Capital	Options Reserve	Accumulated Losses	Convertible Notes	Treasury Shares	Non- controlling Interests	Total Equity
<b>At 1 July 2014</b>	<b>43,213,497</b>	<b>288,889</b>	<b>(42,648,856)</b>	-	<b>(20,000)</b>	-	<b>833,530</b>
Loss for the period	-	-	(1,272,067)	-	-	-	(1,272,067)
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,272,067)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,272,067)</b>
Transactions with owners in their capacity as owners:							
Issue of Share Capital	875,079	-	-	-	-	-	875,079
Shares in parent entity held by subsidiary	(50,000)	-	-	-	-	-	(50,000)
Convertible notes	-	-	-	-	-	-	-
Transfer expired options	-	(288,889)	288,889	-	-	-	-
Non controlling interests	-	-	12,479	-	-	(12,479)	-
<b>Balance as at 31 December 2014</b>	<b>44,038,576</b>	<b>-</b>	<b>(43,619,555)</b>	<b>-</b>	<b>(20,000)</b>	<b>(12,479)</b>	<b>386,542</b>
<b>At 1 July 2013</b>	<b>40,333,931</b>	<b>294,090</b>	<b>(40,982,703)</b>	<b>350,000</b>	-	-	<b>(4,682)</b>
Loss for the period	-	-	(630,739)	-	-	-	(630,739)
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total Comprehensive Loss for the period</b>	<b>-</b>	<b>-</b>	<b>(630,739)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(630,739)</b>
Transactions with owners in their capacity as owners:							
Issue of Share Capital	2,262,036	-	-	-	-	-	2,262,036
Convertible notes	-	-	-	(350,000)	-	-	(350,000)
Transfer expired options	-	(5,200)	5,200	-	-	-	-
<b>Balance as at 31 December 2013</b>	<b>42,595,967</b>	<b>288,890</b>	<b>(41,608,242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,276,615</b>

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

# Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	27,375	-
Payments to suppliers and employees	(488,099)	(349,789)
Interest received	1,001	916
Bank charges and interest paid	(74)	(89)
<b>Net cash used in operating activities</b>	<u>(459,797)</u>	<u>(348,962)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to controlled entities	(160,110)	(552,600)
Loans repaid by controlled entities	48,940	-
Cash acquired from CU2 acquisition	40,877	-
<b>Net cash used in investing activities</b>	<u>(70,293)</u>	<u>(552,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	550,251	679,207
Proceeds from issue of convertible notes	-	550,000
<b>Net cash provided by financing activities</b>	<u>550,251</u>	<u>1,229,207</u>
<b>Net increase in cash held</b>	20,161	327,645
<b>Cash and cash equivalents at beginning of period</b>	<u>339,532</u>	<u>43,038</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>359,693</u></u>	<u><u>370,683</u></u>

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

# Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

## 1. CORPORATE INFORMATION

The financial report of Motopia Limited (the Company) and its controlled entities for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 27<sup>th</sup> February 2015.

Motopia Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

This general purpose financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by Motopia Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

### (b) New, raised or Amending Accounting Standard Adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

#### *AASB 10 Consolidated Financial Statements*

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

#### *AASB 11 Joint Arrangements*

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

#### *AASB 12 Disclosure of Interests in Other Entities*

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT...)

## *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

## *AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

## *AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

## *AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

## *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

## *AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

## *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

### **(d) New Accounting Standards for Application in Future Periods**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2014. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT...)

## *AASB 9 Financial Instruments and its consequential amendments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

## *AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

## *AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

## *AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

## *AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

## *Annual Improvements to IFRSs 2010-2012 Cycle*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.



# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT...)

## *Annual Improvements to IFRSs 2011-2013 Cycle*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

## *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

Part A of this Standard applies to annual reporting periods ending on or after 20 December 2013. Part B of this Standard applies to annual reporting periods beginning on or after 1 January 2014. Part C of this Standard applies to annual reporting periods beginning on or after 1 January 2015. Part A of this Standard makes various editorial corrections to Australian Accounting Standards. It updates references to the Framework in a manner that is consistent with the amendments made by the International Accounting Standards Board (IASB) in its corresponding pronouncements. Part B of this Standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031. Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. Part C also amends AASB 9 to permit requirements relating to the "own credit risk" of financial liabilities measured at fair value to be applied without applying the other requirements of AASB 9 at the same time. Furthermore, Part C of this Standard amends the mandatory effective date of AASB 9 so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2017 instead of 1 January 2015. The adoption of these amendments will not have a material impact on the consolidated entity.

### **(e) Going concern**

For the half year ended 31 December 2014 the consolidated entity has incurred a loss of \$1,272,067, and for the period had cash outflows from operating activities of \$459,797. Furthermore, the consolidated entity is reliant on equity capital or loans from third parties to meet its operation costs. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The consolidated entity continues to rigorously examine and review the consolidated entity cost structure going forward. Monthly running costs associated with the consolidated entity have been maintained at a reduced level. The consolidated entities liabilities have also been significantly reduced and are being managed.

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. To this end, the consolidated entity is expecting to fund ongoing obligations as follows:

#### *Capital raising activities*

The consolidated entity has successfully completed capital raisings for approximately \$550,250. In addition Raptor Global Corporation Ltd has been mandated to facilitate the raising of an additional \$500,000 through its significant sophisticated investor network. It is expected that this raising will be completed by 31 March 2015. The Board have demonstrated a recent history of successful capital raisings and, in conjunction with Raptor Global Corporation, believe additional capital raisings would be available should the need arise.

Cash flow forecasts prepared by management demonstrate that the consolidated entity has sufficient cash flows to meet their commitments over the next twelve months based on the above factors and for that reason the financial statements have been prepared on the basis that the consolidated entity are a going concern, which contemplates the continuity of normal business activity, realisation of assets and then settlement of liabilities in the normal course of business.

Should the company and consolidated entity be unable to continue as a going concern, it may be required to realise assets and discharge liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as going concern.

### **(f) Fair value of financial instruments**

The consolidated entity has a number of financial instruments which are not measured at fair value in the statement of Financial Position. The interest free loans receivable are carried at fair value. The carrying amount of the other current receivables and current payables is assumed to approximate their fair value.

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

## 3. PROFIT FOR THE PERIOD

The following expense items are relevant in explaining the financial performance for the interim period:

	Consolidated Group	
	Half-year Ended 31 Dec 2014 \$	Half-year Ended 31 Dec 2013 \$
Amortisation of Management agreements	33,333	44,444
Depreciation	1,483	-
Impairment of CU2 Management agreement	111,111	-
Impairment of CU2 Goodwill – (refer to Note 4)	911,294	-
Impairment of Management agreement – mVentures	-	150,000
<b>Total depreciation, amortisation and impairment</b>	<b>1,057,221</b>	<b>194,444</b>
Interest free loan – discount	(59,860)	90,614
Other interest expense	126	1,455
<b>Total finance costs</b>	<b>(59,734)</b>	<b>92,069</b>

## 4. BUSINESS COMBINATIONS

On 18th July 2014 the company acquired 44% of the shares in CU2 Global Pty Ltd ("CU2G") via the issue of 250,000,000 Motopia shares. A further 109,821,429 shares were issued on 11th November 2014 to acquire a further 41% of the shares in CU2G. As a result Motopia holds 85% of the equity in CU2G and gained control on 11 November 2014. The acquisition was fully funded via the issue of Motopia shares to the CU2G shareholders.

CU2G has the worldwide exclusive rights to market and deliver the technology known as 2SQL and has previously announced Fujitsu have entered a Global partnering agreement with CU2G. CU2G has announced additional partnership arrangements to increase the channels to market, including with Converter Technology Inc. and also the impending release of additional versions to cater for Oracle to Sequel Server; MySQL to Sequel Server; and Microsoft Access to SQL Azure. CU2G provides the technology for businesses looking to simplify their existing data management systems, reduce the costs of operating those systems and enable implementation in a Cloud environment (previously inaccessible).

	Fair value \$
<b>Purchase consideration:</b>	
Cash	-
Equity issued – (refer to Note 6)	359,821
	<u>359,821</u>
<b>Less:</b>	
Cash on hand / bank	18,376
Receivables	27,375
Property, plant and equipment	9,614
Investment in Parent company	50,000
Payables	(656,838)
<b>Identifiable assets acquired and liabilities assumed</b>	<u>(551,473)</u>
<b>Goodwill</b>	<u>911,294</u>
Cash acquired from CU2 acquisition	40,877
<b>Cash inflow on acquisition</b>	<u>40,877</u>
Goodwill on acquisition	911,294
Impairment of Goodwill	(911,294)
<b>Balance as at 31 December 2015</b>	<u>-</u>

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

## 5. SEGMENT INFORMATION

Motopia has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors and the senior management team in assessing the performance and in determining the allocation of resources.

Motopia identified three business segments:

App Development – the development of mobile and tablet applications

Early Stage Business Financing

Software Development

The following table presents the revenue and result information regarding business segments for the Half-year period ended 31 December 2014.

	Business Financing	App Development	Software Development	Consolidated
<b>Half-year ended 31 Dec 2014</b>				
From continuing operations	-	-	-	-
Total segment revenue	-	-	-	-
<i>Unallocated revenue</i>				-
<b>Total revenue per Statement of Profit or Loss and Other Comprehensive Income</b>				-
<b>Result</b>				
Segment Result	(1,055,738)	-	(83,191)	(1,138,929)
<i>Unallocated expenses</i>				
Other income				1,001
Employee & Directors expense				(56,484)
Depreciation & impairment				-
Professional & Consulting fees				(75,833)
Regulatory & Listing costs				(40,266)
Occupancy expense				(8,518)
Other expenses				(12,304)
Financial Costs				59,756
Share of net losses from associates				(490)
<b>Loss before income tax from continuing operations</b>				<b>(133,138)</b>
Income tax expense				-
<b>Net (Loss) for the half-year</b>				<b>(1,272,067)</b>
<b>Assets</b>				
Allocated assets	458,920	5,500	33,136	497,556
Unallocated assets	-	-	-	-
	<b>458,920</b>	<b>5,500</b>	<b>33,136</b>	<b>497,556</b>
<b>Liabilities</b>				
Unallocated liabilities				111,014
				<b>386,542</b>

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014  
SEGMENT INFORMATION (CONT...)

The following table presents the revenue and result information regarding business segments for the financial year ended 30 June 2014.

	Business Financing	App Development	Software Development	Consolidated
<b>Financial -year ended 30 Jun 2014</b>				
From continuing operations	-	-	-	-
Total segment revenue	-	-	-	-
<i>Unallocated revenue</i>				-
<b>Total revenue per Statement of Profit or Loss and Other Comprehensive Income</b>				<b>-</b>
<b>Result</b>				
Segment Result	(989,556)	-	-	(989,556)
<i>Unallocated expenses</i>				
Other income				1,577
Employee & Directors expense				(138,775)
Depreciation & impairment				-
Professional & Consulting fees				(368,390)
Other expenses				(176,210)
<b>Loss before income tax from continuing operations</b>				<b>(1,671,354)</b>
Income tax expense				-
<b>Net (Loss) for the year</b>				<b>(1,671,354)</b>
<b>Assets</b>				
Allocated assets	972,976	5,500	-	978,476
Unallocated assets	-	-	-	-
	<b>972,976</b>	<b>5,500</b>	<b>-</b>	<b>978,476</b>
<b>Liabilities</b>				
Unallocated liabilities				144,946
				<b>833,530</b>

The former operating segments of Motopia Ltd were all been discontinued. The comparative figures in this financial report represent the administrative costs of the company individually maintaining the Lemon and Lime platform and seeking future opportunities for the company including management agreements with Convert U2 Global, Priority Processing Systems Pty Ltd and mVentures Pty Ltd.

# Notes to the Consolidated Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

## 6. EQUITY

Ordinary Shares	Six months to 31 Dec 2014		Twelve months to 30 Jun 2014	
	No. of shares	\$	No. of shares	\$
Opening balance	3,017,627,428	43,213,497	634,207,714	40,683,931
<b>Issues of ordinary shares during the half-year:</b>				
Issued to creditors in lieu of settlement	-	-	119,087,000	119,087
Issued to Directors and Employees	-	-	85,125,000	85,125
Rights issue and share placements	850,384,608	550,251	679,207,714	679,208
Convertible notes - (i)	662,255,555	-	900,000,000	1,146,030
Shares issued for CU2 Global acquisition - (refer to Note 4)	359,821,429	359,821	-	-
CU2 Management Agreement	-	-	200,000,000	200,000
PPS Management Agreement	-	-	200,000,000	200,000
mVentures Management Agreement	-	-	150,000,000	150,000
mVentures Facilities Agreement	-	-	25,000,000	25,000
Priority Processing Systems Facilities Agreement	-	-	5,000,000	5,000
CU2 Facilities Agreement	7,777,350	7,777	20,000,000	20,000
Shares in parent entity held by subsidiary	-	(50,000)	-	-
Transaction costs related to share issue	-	(42,770)	-	(99,884)
<b>Closing Balance</b>	<b>4,897,866,370</b>	<b>44,038,576</b>	<b>3,017,627,428</b>	<b>43,213,497</b>
<b>Shares to be issued</b>				
Treasury Shares	-	(20,000)	-	(20,000)
<b>Options Reserve</b>				
Opening balance	299,427,140	288,889	306,427,140	294,090
Transfer of expired options to accumulated losses	(4,000,000)	(288,889)	(7,000,000)	(5,201)
Options issued during the period	-	-	-	-
<b>Closing balance</b>	<b>295,427,140</b>	<b>-</b>	<b>299,427,140</b>	<b>288,889</b>
<b>Total Contributed Equity</b>	<b>5,193,293,510</b>	<b>44,018,576</b>	<b>3,317,054,568</b>	<b>43,482,386</b>

### (i) Convertible Notes

662,255,555 shares were issued during the period raising \$596,060. Cash was received prior to 30 June 2014 and classified as equity at this time.

## 7. DIVIDENDS

No dividends have been paid, declared or proposed for the half-year period.

## 8. CONTINGENT LIABILITIES

There are no contingent liabilities.

## 9. SIGNIFICANT EVENTS AFTER REPORTING DATE

Since 31 December 2014 Marcus L'Estrange was appointed as Non-Executive Chairman. Marcus is a director of Raptor Global Corporation Ltd and was appointed a director of Motopia in November 2014. The former Chairman Stephen Dale will continue as a Non-executive Director.

No other significant events have occurred since the end of the reporting period.


## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Motopia Limited made pursuant section 303(5)(a) of the Corporations Act 2001, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity;
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (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.

On behalf of the Board



**Marcus L'Estrange**  
Chairman  
Melbourne

Date: 27<sup>th</sup> February 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Motopia Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Motopia Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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 comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Motopia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Motopia Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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### Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

### Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2(e) in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity. These conditions, along with other matters as set out in Note 2(e), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

### BDO East Coast Partnership



Alex Swansson  
Partner

Melbourne, 27 February 2015

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