

Appendix 4E

Preliminary final report

Year ended 30 June 2016

Name of entity

MOTOPIA LIMITED

ABN

67 099 084 143

Financial year ended ("current year")

30 June 2016

Comparative year ended ("prior year")

30 June 2015

Statement

This report is based on information extracted from the Annual Financial Report of Motopia Limited (Company) and the entities it controlled at the end of, or during the year ended 30 June 2016 (Consolidated Entity or Group). The preliminary financial report is based upon financial statements that are in the process of being audited. Whilst the Group's financial statements are still in the process of being audited and the content of the Group's annual report has not yet been finalised, it will contain a going concern note. The independent audit report will also contain an emphasis of matter paragraph drawing attention to the Group's ability to continue as a going concern.

Results for announcement to the market

	2016 \$	2015 \$	CHANGE \$	% CHANGE
Revenues from ordinary activities	6,000	40,000	(34,000)	(85%)
Revenue from ordinary activities for the year has decreased due to reduced activities from Motopia Ltd and the entities it controlled this year.				
Refer to the summary review of operations in the directors' report attached for further information.				
Profit / (Loss) from ordinary activities after tax attributable to members.	(1,773,798)	(744,568)	(1,029,230)	(138%)
Net profit / (loss) for the period attributable to members	(1,773,798)	(744,568)	(1,029,230)	(138%)
There were no entities over which control has been gained or lost during the period.				
No dividends have been paid during or are proposed in respect of the financial year ended 30 June 2016.				
			2016 ¢	2015 ¢
Net Tangible Assets per Security			(0.0026)	0.01

Commentary on results

For the year ended 30 June 2016

Significant Features of Operating Performance

Motopia and its subsidiaries recorded a loss of \$1,773,798 for the financial year ended 30 June 2016 (2015: \$744,568) with an operating cash outflow of \$869,489 (2015: \$590,167).

Motopia has, over the past months, commenced a transition to become a leading Cloud Services Migration business with an exciting future ahead. The Company is confident that the pathway the company has chosen in its corporate evolution is one that will bring reward to current and future shareholders.

Cloud Hosting and Migration

Cloud hosted technology and development has advanced rapidly over the past few years and the migration of data, applications and other business elements from an organization's onsite computers to the cloud, is now a well-accepted and desired process for all enterprises, large and small. Cloud hosting of legacy data is now the norm for technology businesses and allows for more effective and efficient service application and ensures a flexible and cheap system for managing a broad range of applications and data.

With tens of millions of Microsoft Access databases still in use, Motopia's conversion solution away from MS Access is in high demand. Motopia's solutions can be accessed as either a service or product offering.

Company Aim and Vision

Motopia today has a clear vision: *"To be Australia's best Cloud Migration Service Provider by offering customers a clear path to simply and effectively connect to cloud software applications. The company vision is to establish diversified revenue streams from the execution of conversion services, consulting to clients and reselling value adding applications that enhance our customer's use of the cloud."*

There are 5 main participants influencing the push to the cloud:

PaaS Vendors	Microsoft Azure (who are focused on transforming the client server seat licensing world to hosted subscription models).
Telco	Telstra (who are focused on transforming from voice telecommunication dependent revenue to a more data related business model).
System Integrators	System integrators are increasingly becoming facilitators of migration and partnering across the PaaS, Telco and Vendor horizontals.
Accountants	Accountants are becoming quasi-IT professionals as they strive to stay at the forefront in an increasingly self-service technology world.
Vendors	Vendors need to win customers quickly and painlessly for the subscription and freemium models to hit revenue targets in the absence of capital based seat and maintenance licensing models.

Through the products that Motopia now offers to this market, the Company can provide a range of solutions to cover most Cloud Migration aspects and ongoing assistance that such clients require. Key to Motopia's revenue model is ongoing subscription fees for hosting, maintaining and enhancing the Cloud system. Motopia will offer customers a model to modernise, migrate to the cloud and extend their utilisation of software in a cost effective way.

Current Motopia Assets

Motopia's portfolio of assets currently is a suite of complimentary packages for which there is an existing pipeline of clients:

2SQL	A program that automates the conversion of MS Access Databases to SQL Server.
MU2	A conversion product that automates the conversion of MS Access software to Web (HTML5) software using MS SQL or SQLAzure for the database and SOA platform.
Parsing Engine	This is the foundation technology of both the MU2 and 2SQL Products. The Parsing Engine has been developed over the last 12 months under Motopia Ltd management. In 2016/2017 Motopia intends to further develop the parser engine to create solutions for various MS Access to COTS (Commercial Off The Shelf) software offerings.

Ispirer Licence	A program that enables customers to migrate from legacy database applications some of which include Oracle, DB2, FoxPro and Progress to SQL Server.
CU2Online	An online platform to process conversion clients globally. It currently enables 2SQL conversions and HTML5 conversions.

Motopia has already developed a significant pipeline of clients waiting to use the MU2 HTML product once it is officially launched. This pipeline of clients include Government Departments and other large corporations who are interested in utilising MU2 as a solution for their legacy modernisation initiatives.

Appointment of Managing Director

Motopia will soon look to appoint a Managing Director to enable the Company's transition and to drive the growth and market strategy. The company is in advanced discussions with a suitable candidate and will provide an update to the market once negotiations are complete.

Coming Milestones

There are a number of near term milestones that the Company is working toward:

- Building on and executing a pipeline of work for MS Access to Web.
- Building on and executing a pipeline of work for MS Access to COTS.
- Achieve Microsoft competencies necessary for Gold Partner Status in Modernisation, e-Commerce and Customer Web Development.
- Continue to build Channel Distribution partners.
- Continue appointing key technical and sales staff.
- Further acquisitions of IT services and products that align with our company vision.
- Company name change.

Launch of Cloud Migration Conversion Solution MU2

Motopia has launched and commenced sales of the Cloud Migration conversion solution MU2, with beta testing now completed and early revenue commenced via partnership with Cirralto. During the beta testing phase for the automated software conversion tool the Company worked closely with several key clients and potential channel partners to assess their particular modernisation requirements and adapt the software solution offering accordingly. MU2 conversion solution enables data migrations from many international systems.

There has been a lot of work in the background over the last year with product development and growing the IT Team. While Motopia has what it believes to be quality viable assets in place, given the scale of the 'Global Conversion-to-Cloud' market, and where it wants to position itself in it, the Company has not wanted to push any one service too hard until the appropriate IT sales and services team are in place.

With a new and experienced team of IT personnel in place and being built upon, to be led by an experienced Executive, who all share the same vision for the company, Motopia will emerge from this transition period to establish itself as a new and promising IT industry leader, well positioned to take advantage of current technological business revolution.

Motopia is also in preliminary negotiations for the acquisition of further services and products that align with the Company's vision *"To be Australia's best Cloud Migration Service Provider"*. Motopia has recently engaged the services of NWR Communications to assist in promoting the Company and its development into a fully functional IT services company to a wider IT investment community.

With the foundations of the fully functional Cloud Migration Services business now in place, Motopia is excited with the immediate future that is afforded to the Company and its shareholders. The Company looks forward to sharing the coming growth as it achieves the numerous and exciting milestones ahead.

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

**PRELIMINARY FINAL REPORT
APPENDIX 4E**

**YEAR ENDED
30 JUNE 2016**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated	
		2016	2015
		\$	\$
Revenue from continuing operations	1	6,000	40,000
TOTAL REVENUE		6,000	40,000
Cost of services rendered		-	-
Gross Profit		6,000	40,000
Other Income	1	114	64,927
Employee & directors benefits expense	2a	(162,000)	(118,703)
Depreciation and amortisation expense	2b	(110,925)	(33,452)
Impairment of assets	2b	(626,892)	(111,111)
Consulting fees		(555,944)	(287,277)
Legal and other professional fees		(117,682)	(115,300)
Regulatory listing fees		(45,297)	(39,286)
Occupancy expenses		(11,504)	(11,972)
Other expenses		(147,842)	(54,820)
Finance costs		(1,826)	(1,866)
Share of net loss from associate		-	(75,708)
Loss before Income Tax from continuing operations		(1,773,798)	(744,568)
Income Tax Benefit		-	-
Loss after income tax expense from continuing operations		(1,773,798)	(744,568)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,773,798)	(744,568)
Loss for the year is attributable to:			
-members of the parent entity		(1,773,798)	(744,568)
		(1,773,798)	(744,568)
Total comprehensive loss for the year is attributable to:			
-members of the parent entity		(1,773,798)	(744,568)
		(1,773,798)	(744,568)
Earnings per share (\$ per share)			
Continuing operations			
- Basic loss per share	3	(0.0003)	(0.0002)
- Diluted loss per share	3	(0.0003)	(0.0002)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Consolidated Group	
		2016	2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		71,744	51,391
Trade and other receivables	4	36,454	291,556
Other current assets	5	11,609	12,984
Total current assets		119,807	355,931
Non-current assets			
Property, plant & equipment		-	830
Investments		-	174,292
Intangible assets	6	438,147	692,431
Total non-current assets		438,147	867,553
Total assets		557,954	1,223,484
Liabilities			
Current liabilities			
Trade and other payables		287,230	175,903
Total current liabilities		287,230	175,903
Non-current liabilities			
Deferred tax liabilities		-	77,458
Other loans		2,015	1,940
Total non-current liabilities		2,015	79,398
Total liabilities		289,245	255,301
Net assets		268,709	968,183
Equity			
Contributed equity	7	45,147,042	44,072,718
Treasury shares	7	-	-
Options reserve	7	-	-
Accumulated losses		(44,878,333)	(43,104,535)
Total equity		268,709	968,183

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Attributable to Equity Holders of the Parent				
	Contributed Equity	Accumulated Losses	Options Reserve	Treasury Shares	Total Equity
Balance as at 1 July 2015	44,072,718	(43,104,535)	-	-	968,183
Loss for the year	-	(1,773,798)	-	-	(1,773,798)
Total Comprehensive loss for the year	-	(1,773,798)	-	-	(1,773,798)
Transactions with owners in their capacity as owners:					
Issue of Share Capital	1,165,879	-	-	-	1,165,879
Transactions costs related to share issue	(91,555)	-	-	-	(91,555)
Convertible notes Transfer expired options	-	-	-	-	-
Sale of Treasury Shares	-	-	-	-	-
Balance as at 30 June 2016	45,147,042	(44,878,333)	-	-	268,709
Balance as at 1 July 2014	43,213,497	(42,648,856)	288,889	(20,000)	833,530
Loss for the year	-	(744,568)	-	-	(744,568)
Total Comprehensive loss for the year	-	(744,568)	-	-	(744,568)
Transactions with owners in their capacity as owners:					
Issue of Share Capital	917,849	-	-	-	917,849
Transactions costs related to share issue	(82,770)	-	-	-	(82,770)
Convertible notes Transfer expired options	-	288,889	(288,889)	-	-
Sale of Treasury Shares	24,142	-	-	20,000	44,142
Balance as at 30 June 2015	44,072,718	(43,104,535)	-	-	968,183

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

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

Note	Consolidated	
	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	44,000
Interest received	114	1,622
Payments to suppliers and employees	(869,466)	(635,668)
Bank charges and interest paid	(137)	(121)
Net cash used in operating activities	(869,489)	(590,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans extended	75	(265,768)
Loan repayments	-	548,940
Cash acquired from CU2T acquisition	-	864
Acquisition of entity investment	-	(75,000)
Acquisition of non-current assets	(175,400)	(375,560)
Net cash used in investing activities	(175,325)	(166,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,065,167	468,550
Proceeds from convertible shares	-	-
Net cash provided by financing activities	1,065,167	468,550
Net (decrease)/increase in cash held	20,353	(288,141)
Cash at beginning of financial year	51,391	339,532
Cash at end of financial year	71,744	51,391

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

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Note 1 Revenue and Other Income

	Consolidated	
	2016	2015
	\$	\$
Revenue		
Revenue from the rendering of services	6,000	40,000
Other Income		
Interest revenue	114	61,488
Other	-	3,439
	<u>114</u>	<u>64,927</u>

Note 2 Expenses

	Consolidated	
	2016	2015
	\$	\$
2a Employee & Directors benefits expense		
Director & company secretary fees	162,000	118,703
2b Depreciation, amortisation & impairment		
Depreciation and amortisation	110,925	33,452
Impairment charges:		
- Intangible assets	180,732	111,111
- Investment	174,292	-
- Loan receivables	271,868	-
Total depreciation, amortisation & impairment charges	<u>737,817</u>	<u>144,563</u>

Note 3 Earnings per Share

Basic earnings or loss per share are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

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

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

	Consolidated	
	2016	2015
	\$	\$
The following reflects the income and share data used in the basic and diluted earnings per share computations:		
Loss after income tax expense from continuing operations	(1,773,798)	(744,568)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	5,528,703,400	4,185,877,115
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS	5,528,703,400	4,185,877,115
Basic loss per share	(0.0003)	(0.0002)
Diluted loss per share	(0.0003)	(0.0002)

Notes to the Consolidated Financial Statements (cont....)

Note 4 Trade and Other Receivables

	Consolidated	
	2016	2015
	\$	\$
Trade receivables	6,600	-
Other receivables	29,854	19,688

Related Party Loans

Interest Free Loans:

Loan Receivable - Priority Processing Systems Pty Ltd		559,000	559,000
Less: Provision for impairment – Priority Processing Systems Pty Ltd	(i)	(559,000)	(559,000)
mVentures Pty Ltd – Facilities Agreement		25,000	25,000
Less: Provision for impairment – mVentures Pty Ltd	(i)	(25,000)	(25,000)
Loan Receivable – CU2 Global Pty Ltd		271,868	271,868
Less: Provision for impairment – CU2 Global Pty Ltd	(i)(a)	(271,868)	-
		<u>36,454</u>	<u>291,556</u>

Impairment of Receivables

(i) Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2016	2015
	\$	\$
Opening balance	(584,000)	(584,000)
Current year loan impairment	(271,868)	-
Closing balance	<u>(855,868)</u>	<u>(584,000)</u>

a) CU2 Global Pty Ltd

A total of \$540,379 was advanced to CU2 Global Pty Ltd (“CU2G”) during the year ended 30 June 2014, of which \$271,868 was outstanding during the year ended 30 June 2016. The directors have reviewed the financial position of CU2 Global Pty Ltd and its forecast cash flows and believe the loans owing to Motopia Limited will not be recoverable. An impairment of \$271,868 has been recognised in the 2016 financial year.

Note 5 Other Current Assets

	Consolidated	
	2016	2015
	\$	\$
Prepaid insurance	5,509	5,840
Prepaid listing fees	-	1,044
Prepaid legal fees	6,000	6,000
Other assets	100	100
	<u>11,609</u>	<u>12,984</u>

Note 6 Intangible Assets

	Consolidated		
	2016	2015	
	\$	\$	
Priority Processing Systems Pty Ltd – Management Agreement	(a)	200,000	200,000
Less: Accumulated amortisation		(22,222)	(22,222)
Less: Provision for impairment		(177,778)	(177,778)
		<u>-</u>	<u>-</u>

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Notes to the Consolidated Financial Statements (cont....)

Note 6 Intangible Assets (cont....)

CU2 Global Pty Ltd – Management Agreement	(b)	200,000	200,000
Less: Accumulated amortisation		(88,889)	(88,889)
Less: Provision for impairment		(111,111)	(111,111)
		-	-
mVentures Pty Ltd – Management Agreement	(c)	150,000	150,000
Less: Provision for impairment		(150,000)	(150,000)
		-	-
Lemon & Lime platform – at cost		5,500	5,500
Less: Accumulated amortisation		(2,750)	-
		2,750	5,500
Trademarks – at cost		1,772	1,772
Less: Accumulated amortisation		(1,772)	(1,558)
		-	214
ConvertU2Online Platform – at cost	(d)	292,527	178,527
Less: Accumulated amortisation		(44,630)	-
		247,897	178,527
CU2T IP – at cost	(e)	258,190	258,190
Less: Provision for impairment		(258,190)	-
		-	258,190
Modac IP – at cost	(f)	250,000	250,000
Less: Accumulated amortisation		(62,500)	-
		187,500	250,000
Total intangibles		438,147	692,431

(a) Priority Processing Systems Pty Ltd (PPS)

Lemon and Lime (a wholly owned subsidiary of Motopia Ltd) has entered into a conditional 3 year Management Agreement with PPS. PPS has been established to supply a range of financial transaction services into a number of industry sectors. These include Customer Engagement Program (CEP) operators (loyalty program operators), clubs and associations, major utilities, super funds, unions, merchant groups and charitable organisations.

Contractual rights under this agreement are recognised as an intangible asset and measured using the value of Motopia Ltd shares given as a consideration. This intangible asset is amortised over a three year period, being the terms of agreement.

Shares in Motopia Ltd valued at \$200,000 were issued as part of this agreement. The directors do not believe sufficient revenue will be derived over the next three years and have impaired this asset.

(b) CU2 Global Pty Ltd (CU2G) Management Agreement

Lemon and Lime (a wholly owned subsidiary of Motopia Ltd) management agreement with CU2G is initially for three years. CU2G is the exclusive global distributor for ConvertU2 Technologies Pty Ltd.'s ("CU2T") 2SQL Software ("2SQL"). CU2T is an Australian based company and world leader in the automated conversion and migration of Microsoft Access Applications & Databases to Microsoft Sequel (SQL) Server. Its 2SQL program is considered the panacea or 'Silver Bullet' for automating the migration of Microsoft Access to the SQL Server platform. The directors believe that entering into the management agreement with CU2G will provide sustainable revenue over the next 2 years.

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Notes to the Consolidated Financial Statements (cont....)

Note 6 Intangible Assets (cont....)

Contractual rights under this agreement are recognised as an intangible asset and measured using the value of Motopia Ltd shares given as a consideration. This intangible asset is amortised over a three year period, being the terms of agreement. Shares in Motopia Ltd valued at \$200,000 were issued as part of this agreement (refer note 17). The directors do not believe sufficient revenue will be derived over the next three years and have impaired this asset.

(c) mVentures Holding Pty Ltd (mV) Management Agreement and Facility Agreement

Lemon and Lime International has entered into a conditional 3-year Management Agreement and Facility Agreement with mV. mV supplies services into the prepaid (debit card) transaction processing space. mV is capitalising on an opportunity to address existing unsatisfied demand in the Club and Associations sector (including loyalty programs) through providing real-time financial transaction services which integrate with loyalty and existing management systems. Shares in Motopia Ltd valued at \$150,000 were issued as part of this agreement.

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

(d) ConvertU2 Online Platform

Motopia's current proprietary platform technology is the ConvertU2online platform which hosts 2SQL Microsoft Access to Sequel Server (SQL) migration technology. This is the first commercialisation product with an extremely large market size, both domestically and internationally.

The platform enables the 2SQL migration technology to be deployed through the online portal www.convertU2online.com

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

(e) ConvertU2 Technologies Pty Ltd (CU2T) – IP

CU2T's 2SQL program is considered the panacea for automating the migration of Microsoft Access to the SQL Server platform. CU2T is now operating as the company's in-house technology development arm. This will streamline the development of further applications based on the Paser engine which powers 2SQL. The acquisition also provides a clear management structure for high level technical support to be provided where needed to both the 2SQL online service via the company's new online platform, and for the 2SQL on premise service via CU2 Global.

The IP is recognized and measured as an intangible asset at fair value. The fair value of the IP is determined based on the excess consideration paid for the acquisition of CU2T.

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

(f) Modac Group Pty Ltd (Modac) – IP

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

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

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

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Notes to the Consolidated Financial Statements (cont....)

Note 6 Intangible Assets (cont...)

Reconciliations

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

	Management Agreement	Software	Trademarks & IP	Total
	\$	\$		\$
Consolidated				
Balance at 30 June 2014	144,444	5,500	-	149,944
Acquisition (a)	-	178,527	-	178,527
Additions through business combinations	-	-	508,464	508,464
Amortisation	(33,333)	-	(60)	(33,393)
Impairment of assets	(111,111)	-	-	(111,111)
Balance at 30 June 2015	-	184,027	508,404	692,431
Acquisition (a)	-	114,000	-	114,000
Amortisation	-	(47,380)	(62,714)	(110,094)
Impairment of assets	-	-	(258,190)	(258,190)
Balance at 30 June 2016	-	250,647	187,500	438,147

(a) ConvertU2 Online Platform

Motopia's current proprietary platform technology is the ConvertU2online platform which enables the company to fully realise the commercial potential of the 2SQL technology and leverage the market trends to remove Microsoft Access databases from operating environments. The platform is recognized and measured as an intangible asset based on the development costs incurred.

Note 7 Contributed Equity, Treasury Shares and Options Reserves

	Consolidated	
	2016	2015
	\$	\$
Ordinary shares	45,147,042	44,072,718
	45,147,042	44,072,718

Ordinary Shares

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

Ordinary Shares

	2016		2015	
	No. Shares	\$	No. Shares	\$
Opening balance	4,897,866,370	44,072,718	3,017,627,428	43,213,497
Rights issue and share placements	1,616,549,002	1,144,451	850,384,608	550,251
Convertible Notes	-	-	662,255,555	-
Option exercised	21,428,000	21,428	-	-
Shares issued for CU2G acquisition	-	-	359,821,429	359,821
Shares bought back for CU2G disposal	-	-	(109,821,429)	(109,821)
Shares issued for CU2T acquisition	-	-	109,821,429	109,821
Priority Processing Systems Facilities Agreement	-	-	7,777,350	7,777
CU2 Facilities Agreement	-	-	-	24,142
Transactions costs related to share issue	-	(91,555)	-	(82,770)
Closing balance	6,535,843,372	45,147,042	4,897,866,370	44,072,718

Notes to the Consolidated Financial Statements (cont....)

Note 7 Contributed Equity, Treasury Shares and Options Reserves (cont....)

Option Reserve	2016		2015	
	No. Shares	\$	No. Shares	\$
Opening balance	295,427,140	-	299,427,140	288,889
Transfer of expired options to accumulated losses	-	-	(4,000,000)	(288,889)
Options exercised during the period	(21,428,000)	-	-	-
Options expired during the period	(273,999,140)	-	-	-
Closing balance	-	-	295,427,140	-
Total Contributed Equity	6,535,843,372	45,147,042	5,193,293,510	44,072,718

Share options carry no rights to dividends and no voting rights. In accordance with the terms of the share option schemes, options may be exercised at any time from the date on which they vest to the date of their expiry, subject to any additional specific requirements of the particular allocation. Consideration received on the exercise of options is recognised as contributed equity.

There are no options on issue as at 30 June 2016.

Note 8 Segment Reporting

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 two business segments:

- *System Migration* – the development of specialized or custom system migration technologies
- *App Development* – the development of mobile and tablet application

The following table presents the revenue and result information regarding business segments for the financial year ended 30 June 2016.

	System Migration	App Development	Consolidated
Year ended 30 Jun 2016			
Revenue			
From continuing operations	6,000	-	6,000
Total segment revenue	6,000	-	6,000
<i>Unallocated revenue</i>			-
Total revenue per Statement of Profit or Loss and Other Comprehensive Income			6,000
Result			
Segment Result	(1,773,912)	-	(1,773,912)
<i>Unallocated expenses</i>			
Other income			114
Loss before income tax from continuing operations			(1,773,798)
Income tax revenue/(expense)			-
Net Loss for the year			(1,773,798)
Assets			
Allocated assets	555,204	2,750	557,954
Unallocated assets	-	-	-
	555,204	2,750	557,954
Liabilities			
Allocated liabilities	289,245	-	289,245
Unallocated liabilities	-	-	-
	289,245	-	289,245
Net Assets	265,959	2,750	268,709

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Notes to the Consolidated Financial Statements (cont....)

Note 8 Segment Reporting (cont....)

The following table presents the revenue and result information regarding business segments for the financial year ended 30 June 2015.

	System Migration	App Development	Consolidated
Year ended 30 Jun 2015			
Revenue			
From continuing operations	40,000	-	40,000
Total segment revenue	40,000	-	40,000
<i>Unallocated revenue</i>			-
Total revenue per Statement of Profit or Loss and Other Comprehensive Income			40,000
Result			
Segment Result	(749,629)	-	(749,629)
<i>Unallocated expenses</i>			
Other income			5,061
Loss before income tax from continuing operations			(744,568)
Income tax revenue			-
Net (Loss for the year)			(744,568)
	System Migration	App Development	Consolidated
Assets			
Allocated assets	1,217,984	5,500	1,223,484
Unallocated assets	-	-	-
	1,217,984	5,500	1,223,484
Liabilities			
Allocated liabilities	255,301	-	255,301
Unallocated liabilities	-	-	-
	255,301	-	255,301
Net Assets	962,683	5,500	968,183

Note 9 Events occurring after the reporting date

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

Note 10 Contingent Liability

The Board of Motopia Limited has received a legal claim (Claim) filed in the County Court of Victoria from GWT Systems Pty Ltd against the Company seeking an estimated compensation of \$378,000 in relation to alleged funds payable by the Company. The matter has yet to be settled and the proceeding has been listed for trial in September 2016.