SERVTECH GLOBAL

EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

SERVTECH GLOBAL HOLDINGS LIMITED

ABN 93 614 814 041

ANNUAL REPORT

2017

CONTENTS

Corporate Directory

Directors	Mr Nicholas Cernotta - *Non-Executive Chairman* Mr Brett Quinn - *CEO & Managing Director* Mr Brynmor Hardcastle - *Non-Executive Director* Mr David Newman - *Non-Executive Director*
Company Secretary	Ms Oonagh Malone
Registered Office	C/- Bellanhouse Level 19, Alluvion 58 Mounts Bay Road Perth WA 6000
Principal Place of Business	92 Walters Drive OSBORNE PARK WA 6017 Phone: 1300 202 101 Email: support@servtechglobal.com.au Website: www.servtechglobal.com.au
Securities Exchange Listing	Australian Securities Exchange (ASX) ASX Code: SVT
Share Registry	Automic Registry Services Level 2, 267 St Georges Terrace PERTH WA 6000 Phone: +61 8 9324 2099 Email: hello@automic.com.au
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street SUBIACO WA 6008
Solicitors	Bellanhouse Level 19, Alluvion 58 Mounts Bay Road Perth WA 6000

ServTech Global – Overview

ServTech Global is an Australian technology and services business that revolutionises the way businesses manage their back office. It does this through unique customised Software as a Service (SaaS) workflow management technology, designed to reduce the amount of back office administration for small, medium and large businesses across a wide range of industries.

ServTech Global is the holding company of several wholly-owned subsidiary companies, including a real estate agency (Sell Lease Property Pty Ltd), a conveyancing business (Complete Settlements), a mortgage broking business (Value Finance) and a technology commercialisation business (Technobrave).

After completing an Initial Public Offering (IPO) of $6 million, the Company listed on the ASX in March 2017. Since listing, ServTech Global continued to pursue its expansion and diversification strategy to drive revenue and profit growth and to progressively reduce its exposure to any one sector of the economy.

The Company has been working to expand its geographic presence as well as diversifying its revenue base as more business owners, franchisees and small to medium sized enterprises, across a wide range of industries are seeking innovative and commercial technological solutions to reduce the cost burden of back-office administration.

In the 2017 calendar year, ServTech Global has executed agreements with DVG Automotive, Western Australia's largest new and used car dealership, has formed a joint venture to develop back office transaction services for the petrol station and convenience store sector and has signed a binding agreement with a law firm to establish and commercialise a transaction management technology and services cloud platform for the legal profession.

In addition, it recently signed a software development contract with the Real Estate Institute of Western Australia (REIWA) for the development of a new consumer-focused mobile application (app). The technology development process will be delivered and executed through ServTech Global's 100% owned subsidiary, Technobrave Pty Ltd, which specialises in providing web and mobile application software development services.

Management expect growth through expansion and diversification to continue into 2018 as the technology platform as a service (PaaS) demonstrates its applicability and utility to work in any industry where there is a need to minimise back-office administration functions.

Real estate remained ServTech Global's most important source of revenue in the 2017 financial year and ServTech Global's real estate agency, Sell Lease Property Pty Ltd (SLP), was again recognised by REIWA as the "Number 1 Office by Listings Sold" in Western Australia for 2017, from approximately 1,300 other agencies at the reiwa.com Awards Ball held in August. This is the second consecutive year that SLP has won this award. It also achieved a third place for Top Office by Value Sold.

A steady increase in real estate agents contributed to revenue growth for the 2017 financial year, up 20% on FY 2016. Revenue was also enhanced by the number of agents paying upfront subscription fees, complemented by the growth in the number of agents.

In order to position the ServTech Global brand to develop a more geographically diverse revenue base, the Company sold its property management rent roll business. The sale of the rent roll business generated a significant reduction in operating costs, enabling the Company to focus on building profitable margins through the development and application of customized back-office transaction technology and services.

These initiatives have all taken place within a very short time-frame and demonstrate the extraordinary commercial appeal of the Software as a Service model across a number of industry sectors.

The Company is also developing a pipeline of commercial opportunities for the year ahead. Some of these initiatives are specifically intended to accelerate revenue growth and profitability, while others are intended to accelerate the rate of diversification by industry and expansion into markets outside of Australia.

DIRECTORS' REPORT

The Directors of Servtech Global Holdings Limited (the **Company, Group** or **SVT**) present their report on the consolidated entity for the year ended 30 June 2017. The Company was incorporated on 14 September 2016. References to the results of the Group in this financial report for the year ended 30 June 2017 refer to the period 14 September 2016 to 30 June 2017. The terms "year" and "period" are used interchangeably in this report.

DIRECTORS
The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Nicholas Cernotta
Non-Executive Chairman – Appointed: 17 October 2016

Mr Brett Quinn
CEO/Managing Director – Appointed: 14 September 2016

Mr Brynmor Hardcastle
Independent Non-Executive Director – Appointed: 14 September 2016

Mr David Newman
Independent Non-Executive Director – Appointed: 10 November 2016

Mr Faldi Ismail
Independent Non-Executive Director – Appointed: 14 September 2016, Resigned: 15 December 2016

PRINCIPAL ACTIVITIES
During the period, the principal continuing activity of the Group consisted of providing software services and administrative support for real estate and finance related operations.

REVIEW OF OPERATIONS

ASX Listing
The additional core focus for the Company during this period was the preparation for and the lodgement of a prospectus dated 20 December 2016. The prospectus raised $6,000,000, before associated costs, by the issue of 30,000,000 shares at an issue price of $0.20 each (**Capital Raising**). The lodgement of the prospectus and the subsequent listing on the Australian Securities Exchange (**ASX**) represented a key development in the Group that provides capital and market presence for the Group to execute its growth plans.

Market developments
The Group continued to develop its primary business operations being; Sell Lease Property Pty Ltd, Value Finance Pty Ltd, Complete Settlements Pty Ltd and Capitol Asset Management Pty Ltd. This included the expansion of these businesses into the eastern Australian states and the diversification of consulting services to industries such as the automotive, legal and petrol and convenience sectors.

On 16 September 2016 Servtech Global Holdings Limited completed a transaction with the shareholders of various entities under common control including the following (**Common Controlled Entities**); Sell Lease Property Pty Ltd (**SLP**) (the largest entity within the Group), Value Finance Pty Ltd (**VF**), Complete Settlements Pty Ltd (**CS**), Capitol Asset Management Pty Ltd (**CAM**), Real Estate Agent Performance Pty Ltd, Technobrave Pty Ltd (previously RET Global Pty Ltd), Critical Success Pty Ltd, Admin Tracker Pty Ltd, Admin Tracker Legal Pty Ltd, Admin Tracker Finance Pty Ltd, Admin Tracker Property Management Pty Ltd, Admin Tracker Conveyancing Pty Ltd, Admin Tracker Real Estate Pty Ltd, 4 Clicks CRM Pty Ltd, William Windsor Pty Ltd, Orange Asset Management Pty Ltd and Servtech Global Pty Ltd, to acquire 100% of the share capital of the various Common Controlled Entities in exchange for 40,000,000 shares in the Company. In accordance with Australian Accounting Standards, the acquisition does not meet the definition of a business combination as Servtech was established for the sole purpose of acquiring the Common Controlled Entities by way of equity. The shareholders of the Common Controlled Entities received the same proportion of equity instruments in Servtech.

The comparative financial information included in the Company's financial statements is that of Sell Lease Property Pty Ltd, not the Company. The results in the current period comprise those for SLP for the period 1 July 2016 to 15 September 2016 and the enlarged Group from 16 September 2016 to 30 June 2017.

However, the capital structure of the legal acquirer, the Company, is adopted in the annual financial report.

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

DIRECTORS' REPORT (CONTINUED)

RESULTS

The Company incurred a loss of $5,973,508 after income tax for the year (2016: loss $146,897). The decrease in profitability is predominantly due to costs connected with the listing process and costs of expanding operations. The funds from the Capital Raising have been utilised to fund investment in the growth of the business in various areas to diversify its products and services to new industry sectors both in Australia and internationally. This investment has resulted in the Group exceeding its consolidated target revenues of $10 million with the revenue for the financial year ending 30 June 2017 exceeding $10.5 million.

EVENTS OCCURING AFTER THE REPORTING PERIOD

On 11 July 2017, the Company entered into a non-binding Heads of Agreement ('HOA') with MM Legal Limited ('MM'), signalling the Company's first entry into the legal sector. In entering into the HOA, Servtech and MM will work collaboratively to evaluate the opportunity to complete and commercialise this concept, using Servtech's expertise and its scalable and adaptable Software as a Service (SaaS) platform.

On 31 July 2017, the Company entered into two non-binding Heads of Agreements ('HOA') with Malaysian real estate companies, Millennium Summit Properties ('Millennium') and Harvest-Time Properties ('Harvest'). Under the HOAs, Servtech will work together with each of Millennium and Harvest to assess their back office functions and determine the level of efficiencies and cost savings that may be generated through Servtech's expertise and the potential adoption of its real estate specific technology platform, the 'Angel' platform.

On 15 September 2017, the Company announced the sale of its property management rent roll business, conducted through the subsidiary Capitol Asset Management Pty Ltd, for approximately $1.5 million. Servtech will be entitled to receive 80% of the relevant purchase price on or before 1 October 2017 (Settlement Date) with 20% of the purchase price to be held over to account for non-retained properties during the sale transition process. The final adjustment date will occur six months after the Settlement Date.

On 18 September 2017, the Company announced the signing of a software development contract with the Real Estate Institute of WA. Under the service agreement, Servtech has been engaged to develop a new consumer-focused mobile application. The technology development process will be executed through Servtech's 100% owned subsidiary, Technobrave Pty Ltd, which specialises in providing web and mobile application software development services.

Other than the above, there were no other subsequent events.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

- On 15 September 2016, the Group entered into a share sale agreement whereby the existing shareholders of the Common Controlled Entities exchanged their shares in the Common Controlled Entities for shares in Servtech Global Holdings Limited. The result of the transaction was that the original holders of the shares in the Common Controlled Entities received the same proportion of shares in Servtech Global Holdings Limited (Note 23).
- During the year the Group prepared and lodged a prospectus raising $6,000,000, before associated costs, by the issue of 30,000,000 shares at an issue price of $0.20 each. The Group was admitted to the official list of the ASX on 16 March 2017.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Other than information disclosed elsewhere in this annual report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Directors' Report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group is not subject to any particular or significant environmental regulations under either Commonwealth or State law.

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON CURRENT DIRECTORS AND COMPANY SECRETARY

Mr Nicholas Cernotta – BE
Non-Executive Chairman (Appointed 17 October 2016)

Experience and expertise
Mr Cernotta, Director of Operations at Fortescue Metals Group, has more than 30 years' experience in the mining industry, spanning various commodities and operations. Mr Cernotta comes with a solid operational background and experience in both the public and private sectors. Prior to joining Fortescue Metals Group, Mr Cernotta held many senior executive roles such as Chief Operating Officer for Macmahon Holdings Ltd and Director of Operations for the Barrick Gold – Australia Pacific Regional Business Unit.

Other current directorships: Non-Executive Director of Pilbara Minerals Limited (ASX: PLS)
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 1,050,000 shares and 1,333,336 performance rights

Mr Brett Quinn – DipFIMn
CEO & Managing Director (Appointed 14 September 2016)

Experience and expertise
Mr Quinn is an entrepreneur and investor with a diverse background across various industries including defence, mining, recruitment and property and was named as one of the WA Business News' 40 under 40 in 2008. Mr Quinn is the founder of the Company, whose proprietary SaaS Application has transformed its wholly owned subsidiary Sell Lease Property into the Number 1 Real Estate Agency for Listings Sold in WA 2015/16 (REIWA Awards) and has recently been awarded Australia's 8th fastest growing company (BRW Fast 100 2016).With a strong operational background Mr Quinn has extensive hands-on experience building high performing management teams including the implementation of initiatives that drive a continuous improvement culture. Mr Quinn has previously held senior operational and improvement roles with Rio Tinto.

Other current directorships: Nil
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 9,293,001 shares and 6,000,000 performance rights

Mr Brynmor Hardcastle – BA, LLB
Non-Executive Director (Appointed 14 September 2016)

Experience and expertise
Mr Hardcastle is an experienced corporate lawyer specialising in corporate, commercial and securities law. He is the principal of Bellanhouse which predominantly advises on equity capital markets, re-compliance transactions and takeovers across a variety of industries. Mr Hardcastle has extensive international legal experience and has advised on numerous cross border transactions working in the United Kingdom, Middle East and North America. He also has experience acting as a non-executive director of ASX-listed companies.
Other current directorships: Non-Executive Director of Cre8tek Limited (ASX: CR8), MHM Metals Ltd (ASX:MHM) and New Century Resources Limited (ASX: NCZ).
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 200,000 shares and 1,333,332 performance rights

DIRECTORS' REPORT (CONTINUED)

Mr David Newman – DipFinPlan
Non-Executive Director (Appointed 10 November 2016)

Experience and expertise
Mr Newman has over 30 years' experience as an executive in financial services, with a successful track record in managing and guiding organisations through major and challenging transformations. He is currently Executive Director and Head of Business Solutions for Sentry Group, a national and respected nonaligned financial planning licensee with over 240 authorised representatives.

Mr Newman holds a Diploma in Financial Planning and has undertaken Advanced and Executive Management Programs at the Melbourne Business School. He is a Fellow of the Australian Institute of Management and a fellow of The Institute of Company Directors.

Other current directorships: Nil
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 450,000 shares and 1,333,332 performance rights

Ms Oonagh Malone
Company Secretary (Appointed 14 September 2016)

Experience and expertise
Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 8 years' experience in administrative support roles for listed exploration companies and is a member of the Governance Institute of Australia. She is currently company secretary to ASX-listed companies Boss Resources Ltd, Carbine Resources Ltd, Draig Resources Limited, Hawkstone Mining Limited, Matador Mining Limited, New Century Resources Ltd and Primary Gold Limited.

Other current directorships: Hawkstone Mining Limited
Former ASX directorships in past 3 years: New Century Resources Limited
Interests in the Company's securities: Nil

MEETINGS OF DIRECTORS
The number of meetings of the board of directors (including board committees) held during the year ended 30 June 2017, and the number of meetings attended by each director are set out below:

Director	Board Meetings Eligible to Attend	
	Held	Attended
Nicholas Cernotta (appointed 17/10/16)	11	10
Bryn Hardcastle (appointed 14/9/16)	16	16
Faldi Ismail (appointed 14/9/16; resigned 15/12/16)	10	9
David Newman (appointed 10/11/16)	11	11
Brett Quinn (appointed 14/9/16)	16	16

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
8 March 2017 (escrowed until 17 March 2019)	17 March 2020	$0.30	2,500,000

The holders of these options do not have any rights under the options to participate in any share issue of the Company or of any other entity.

No ordinary shares were issued during or since the end of the financial year as a result of exercise of options.

REMUNERATION REPORT - AUDITED

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The Directors present the Servtech 2017 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:
- (a) Key management personnel covered in this report
- (b) Principles used to determine the nature and amount of remuneration
- (c) Non-executive directors remuneration
- (d) Executive director and senior management remuneration
- (e) Employment contracts
- (f) Details of remuneration

(a) Key management personnel covered in this report

Name	Position
Directors	
Nicholas Cernotta	Non-Executive Chairman
Brett Quinn	CEO & Managing Director
Brynmor Hardcastle	Non-Executive Director
David Newman	Non-Executive Director
Faldi Ismail (resigned 15/12/16)	Non-Executive Director
Key Management Personnel	
Samuel Buick	Chief Operating Officer

(b) Principles used to determine the nature and amount of remuneration

The Board adheres to the Remuneration Policy detailed in the Company's Prospectus issued in December 2016. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Directors, Company Secretaries and senior executives.

The Board are mindful that where possible the remuneration structures reward the achievement of strategic objectives to achieve the broader outcome of creation of value for shareholders.

The remuneration committee is responsible for assessing performance against key performance indicators and determining the short-term incentives and long-term incentives to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiably data such as financial measures, market share and data from independently run surveys.

In the event of serious misconduct or a material misstatement in the Group's financial statements, the remuneration committee can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

(c) Non-executive directors remuneration

Fees
The Chairman, Nicholas Cernotta, has a letter of appointment which entitles him to annual remuneration of $60,000. In addition, 1,333,336 performance rights were granted during the period. There is no notice period.

Brynmor Hardcastle has a letter of appointment as a Director which entitles him to a fee of $36,000 per annum. In addition, 1,333,332 performance rights were granted during the period. There is no notice period.

David Newman has a letter of appointment as a Director which entitles him to a fee of $36,000 per annum. In addition, 1,333,332 performance rights were granted during the period. There is no notice period.

Retirement benefits
Non-executive Directors do not receive retirement benefits.

Superannuation
Executive Directors of the Company are paid superannuation at the statutory rate prescribed by the law and forms part of their remuneration, where applicable. The Company makes statutory employer contributions on behalf of its Directors to the superannuation fund of their choice, as is required by legislation.

(d) Executive director and senior management remuneration

Base salary
Base salary is set with reference to the local market data where the individual is required to work, and endeavours to reflect the scope of the role and the performance of the person in the role. Should the role require a unique skill set, this is also reflected in the base salary. Salaries are reviewed annually and generally reflect a "middle-of-the-market" approach, wherever comparisons to similar comparative roles can be made.

Directors' options
No options were issued to Directors or other key management personnel during the year.

Performance rights
During the year, the following performance rights were granted to Directors and other key management personnel:

Performance rights series	Grant date	No. of performance rights	No. of performance rights vested during the year	Fair value per performance right	Total fair value of performance rights
Class A	16 December 2016	2,000,000	-	-	-
Class B	16 December 2016	2,000,000	-	-	-
Class C	16 December 2016	2,000,000	-	-	-
Class D	16 December 2016	2,000,000	-	$0.10721	$214,420
Class E	16 December 2016	2,000,000	-	$0.05723	$114,460
Class F	16 December 2016	500,000	-	-	-
Total		10,500,000	-		$328,880

In relation to the Class A, B, C and F performance rights, the Directors have assessed the probability of meeting the non-market based conditions as 0%. Accordingly, no amount in relation to these performance rights has been recognised in the Statement of Profit or Loss and Other Comprehensive Income or in the remuneration disclosures for Directors and key management personnel.

The 10,500,000 performance rights have been granted to eligible participants as defined under the Company's performance rights plan. In order to remain an eligible participant, the employee or director must remain in service to the Group or the right will lapse and not vest.

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

The above performance rights were issued to the following Directors and other key management personnel:

	Performance Rights						
	Class A	Class B	Class C	Class D	Class E	Class F	Total
Directors							
N Cernotta[1]	-	-	-	666,668	666,668	-	1,333,336
B Quinn[2]	2,000,000	2,000,000	2,000,000	-	-	-	6,000,000
B Hardcastle[3]	-	-	-	666,666	666,666	-	1,333,332
D Newman[4]	-	-	-	666,666	666,666	-	1,333,332
F Ismail[2 4]	-	-	-	-	-	-	-
Key Management Personnel							
S Buick[5]	-	-	-	-	-	500,000	500,000
Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	500,000	10,500,000

[1] Appointed 17 October 2016
[2] Appointed 14 September 2016
[3] Appointed 10 November 2016
[4] Resigned 15 December 2016
[5] Appointed 1 January 2017

The following terms and conditions apply to the performance rights:

1. The performance rights have the following milestones attached to them:
    a. Class A and Class F Performance Rights: the EBITDA for the Group exceeds $0 for any 3 consecutive calendar months within 24 months of the Company being admitted to the official list on the Australia Securities Exchange;
    b. Class B Performance Rights: the Group achieves $20,000,000 total revenue and other income in any 12 calendar month period within 24 months of the Company being admitted to the official list on the Australia Securities Exchange;
    c. Class C Performance Rights: the Group achieves $50,000,000 total revenue and other income in any 12 calendar month period within 36 months of the Company being admitted to the official list on the Australia Securities Exchange;
    d. Class D Performance Rights: the VWAP for 10 consecutive trading days of Shares equals or exceeds $0.40 on or before the date that is 5 years from the date the Company is admitted to the official list on the Australia Securities Exchange; and
    e. Class E Performance Rights: the VWAP for 10 consecutive trading days of Shares equals or exceeds $0.60 on or before the date that is 5 years from the date the Company is admitted to the official list on the Australia Securities Exchange.
2. The performance rights will vest on the date the milestone relating to that performance right has been satisfied. The Company will notify the holder in writing when the relevant Milestones have been satisfied.
3. Upon vesting, each performance right will, at the holder's election, convert into one share in the Company. The holder may apply to exercise performance rights upon vesting by filling out a notice of exercise form.
4. Any:
    a. Class A, Class B or Class F Performance Right that has not vested within 2 years from the date the Company is admitted to the official list on the Australia Securities Exchange; or
    b. Class C, Class D or Class E Performance Right that has not vested within 3 years from the listing date;

    will automatically lapse.
5. The performance rights have the following expiry dates:
    a. Class A, Class B and Class F Performance Rights: 2 years after the listing date;
    b. Class C Performance Rights: 3 years after the listing date; and
    c. Class D and Class E Performance Rights: 5 years after the listing date.

    For the avoidance of doubt any vested but unexercised performance rights will automatically expire on the expiry date.
6. The performance rights are not transferable.

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

(e) Employment contracts

Mr Brett Quinn – CEO and Managing Director

Contract term:	Fixed period of 2 years and then ongoing unless terminated in accordance with the agreement following the fixed 2 year term
Consultancy fee:	$300,000 per annum, which will be reviewed annually following the initial 2 year term
Performance rights:	6,000,000 performance rights
Termination payments:	If terminated by the Company during the initial fixed term, the Company must pay the remaining balance of the fixed term or 6 months fees, whichever is the greater. If terminated by the Company following the initial fixed term, the Company must pay 12 months' fees to Mr Quinn. If the agreement is terminated by Mr Quinn, 6 months' notice must be given to the Company.

Mr Samuel Buick – Chief Operating Officer

Contract term:	Ongoing unless terminated in accordance with the agreement
Consultancy fee:	$198,000 per annum, which will be reviewed annually
Performance rights:	500,000 performance rights
Termination payments:	The contract may be terminated by either party giving 6 months' notice.

(f) Details of remuneration

Details of the remuneration of the directors and key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

Key management personnel of the Group and other executives of the Company and the Group

2017	Short term employee benefits (paid or payable as at 30 June 2017)	Post-employment benefits		Long-term benefits	Share-based payments		
Name	**Cash, salary & fees**	**Termination payments**	**Superannuation**	**Long service leave**	**Options/ Performance Rights**	**Total**	**Proportion of remuneration performance related**
	$	$	$	$	$	$	%
Directors							
Nicholas Cernotta	42,419	-	4,030	-	109,628	156,077	70.24%
Brett Quinn	271,201	-	-	-	-	271,201	-
Brynmor Hardcastle	28,700	-	-	-	109,626	138,326	79.25%
David Newman	23,100	-	2,194	-	109,626	134,920	81.25%
Faldi Ismail (resigned 15/12/16)	-	-	-	-	-	-	-
Total Director Remuneration	**365,420**	**-**	**6,224**	**-**	**328,880**	**700,524**	**46.95%**
Key Management Personnel							
Samuel Buick	127,050	-	-	-	-	127,050	-
Total Key Management Personnel	**127,050**	**-**	**-**	**-**	**-**	**127,050**	**-**
Total	**492,470**	**-**	**6,224**	**-**	**328,880**	**827,574**	**39.74%**

Note: The above remuneration figures for 30 June 2017 comprise those for Sell Lease Property Pty Ltd for the period 1 July 2016 to 15 September 2016 and the enlarged Group from 16 September 2016 to 30 June 2017.

2016	Short term employee benefits (paid or payable as at 30 June 2016)	Post-employment benefits		Long-term benefits	Share-based payments		
Name	**Cash, salary & fees**	**Termination payments**	**Superannuation**	**Long service leave**	**Options/ Performance Rights**	**Total**	**Proportion of remuneration performance related**
	$	$	$	$	$	$	%
Directors							
Brett Quinn	8,000	-	-	-	-	8,000	-
Total Director Remuneration	**8,000**	**-**	**-**	**-**	**-**	**8,000**	**-**
Total	**8,000**	**-**	**-**	**-**	**-**	**8,000**	**-**

Note: The above remuneration figures for 30 June 2016 comprise those for Sell Lease Property Pty Ltd for the year.

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

Other transactions with key management personnel

There were the following other transactions with related parties during the year ended 30 June 2017 (2016: Nil):

- An office owned by an entity of which Mr Cernotta is a related party is rented to the Company. Total rent paid by the Group during the year was $8,214. The rental agreement is on a commercial arms-length basis.
- A legal practice of which Mr Brynmor Hardcastle is a director, Bellanhouse Legal, provides consulting services in connection with the operations of the Group. Fees paid by the Group during the year to Bellanhouse Legal were $254,671. The legal services were provided on a commercial arms-length basis.
- A corporate advisory practice of which Mr Faldi Ismail is a director, Otsana Capital, provides corporate advisory services in connection with the operations of the Group and charged fees of $61,500. The corporate advisory services were provided on a commercial arms-length basis.
- Otsana Capital, a company related to Mr Faldi Ismail, received capital raising fees and a success fee in relation to the initial public offering of $528,847. These services were provided on a commercial arms-length basis.
- The Company entered into a transfer of share agreement with the shareholders of the Common Controlled Entities to exchange their securities for securities in Servtech Global Holdings (Note 23). As part of this transaction Mr. Brett Quinn received 9,293,000 shares in Servtech Global Holdings Limited.
- During the year the Company undertook the following transactions with Otsana Capital, a company associated with Mr. Faldi Ismail:
  - The issuance of 10,000,000 shares in the Company, to Otsana or its nominees
  - A 6% capital raising fee for any capital raised or funding sources that Otsana introduce as part of the Capital Raising transaction
  - A $150,000 success fee on the completion of the Capital Raising transaction
  - In consideration for raising capital for the Company under the mandate the Group issued 1,000,000 options to Otsana Capital with a total fair value of $109,000.

Equity instrument disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each director of Servtech Global Holdings Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2017	**Balance at the start of the year**	**Received during the year on exercise of options**	**Other changes during the year**	**Balance at the end of the year or date of resignation**	**Shares included in the balance at end of year subject to escrow**
Ordinary shares					
Directors					
Nicholas Cernotta	-	-	1,050,000	1,050,000	250,000
Brett Quinn	-	-	9,293,001	9,293,001	9,293,001
Brynmor Hardcastle	-	-	200,000	200,000	-
David Newman	-	-	450,000	450,000	-
Faldi Ismail (resigned 15/12/16)	-	-	-	-	-
Key Management Personnel					
Samuel Buick	-	-	-	-	-
Total	-	-	10,993,001	10,993,001	9,543,001

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

(ii) Option holdings

During the year, options were granted to the following Directors and other key management personnel:

OPTIONS ISSUED	Number of Options Granted	Grant Date	Fair Value Per Option at Grant Date	Exercise Price Per Option	Expiry Date	Number of Options Vested and Exercisable
Faldi Ismail	*1,000,000	8 March 2017	$0.109	$0.30	17 March 2020	-

* The options are escrowed until 17 March 2019

Performance-based remuneration

Performance rights over equity instruments granted as compensation
During the year, performance rights were granted to the following Directors and other key management personnel as part of their performance-based remuneration:

2017 Name	No. of performance rights	No of performance rights vested	Performance rights Class	Fair value of performance rights
Directors				
Nicholas Cernotta	666,668	-	Class D	$71,474
	666,668	-	Class E	$38,154
	1,333,336			$109,628
Brett Quinn	2,000,000	-	Class A	-
	2,000,000	-	Class B	-
	2,000,000	-	Class C	-
	6,000,000			
Brynmor Hardcastle	666,666	-	Class D	$71,473
	666,666	-	Class E	$38,153
	1,333,332			$109,626
David Newman	666,666	-	Class D	$71,473
	666,666	-	Class E	$38,153
	1,333,332			$109,626
Faldi Ismail	-	-		-
Key Management Personnel				
Samuel Buick	500,000	-	Class F	-
Total	**10,500,000**			**$328,880**

Shares provided on exercise of remuneration options
During the reporting period, no shares were issued to key management personnel on the exercise of options previously granted as remuneration.

DIRECTORS' REPORT - REMUNERATION REPORT – AUDITED (CONTINUED)

Loans to key management persons
Aggregate loans to key management personnel and their related parties are as follows:

	Balance at 1 July 2016*	Interest paid and payable on loan	Interest not charged	Write-downs and allowances for doubtful debts	Balance at 30 June 2017	Number in group at end of year
	$	$	$	$	$	
Total	51,715	-	-	-	2,095	1

* Balance of loan with Sell Lease Property Pty Ltd as at 1 July 2016.

Loans outstanding at the end of the current year are unsecured and repayable on demand. No Interest is payable on the loans.

Use of remuneration consultants
The Company has not engaged the services of remuneration consultants to review its Executive remuneration recommendations.

Company performance
During the year, the Group was listed on the Australian Securities Exchange following the issue of 30,000,000 shares at an issue price of $0.20 each. The following table shows key performance indicators for the Group:

	2017	2016
Loss for the year	(5,973,508)	(146,897)
Closing share price ($)	0.091	N/a
Basic and diluted loss per share (cents)	(11.76)	(0.37)

END OF AUDITED REMUNERATION REPORT

INSURANCE OF OFFICERS
The Company has entered into a deed of access, indemnity and insurance with each of its current and former directors, and the Company Secretary. Under the terms of the deed, the Company indemnifies the officer or former officer, to the extent by law, for the liabilities incurred as an officer of the Company.

Since the end of the previous financial year, the Company has paid premiums in respect of contracts insuring the current and former directors and officers of the Company against liabilities incurred by them to the extent permitted by the *Corporations Act 2001*. The contracts prohibit disclosure of the nature of the liability cover and the amount of the premium.

NON-AUDIT SERVICES
A total of $80,000 (2016: $Nil) was paid for audit services during the year as detailed in note 18. A total of $15,400 (2016: $Nil) was paid for non-audit services performed during the year.

The Board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*, and did not compromise the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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

DIRECTORS' REPORT (CONTINUED)

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the annual financial report. This Independence Declaration is set out on page 16 and forms part of this Directors' Report for the year ended 30 June 2017.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of *the Corporations Act 2001*.

Mr Nicholas Cernotta
Chairman
Dated at Perth, Western Australia this 29th day of September 2017.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF SERVTECH GLOBAL HOLDINGS LIMITED

As lead auditor of Servtech Global Holdings Limited for the year ended 30 June 2017, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Servtech Global Holdings Limited and the entities it controlled during the period.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2017

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

SERVTECH GLOBAL HOLDINGS LIMITED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Consolidated	
		Year Ended 30 June 2017	Year Ended 30 June 2016
	Notes	$	$
Revenue			
Revenue	2(iv)	10,664,115	6,988,728
Expenses			
Employee benefits expense		10,816,978	5,854,043
Advertising expense		194,530	128,801
Rent expense		465,819	315,404
Trail commission expense		347,504	-
Information technology expense		370,279	137,983
Consulting and professional fees		966,624	119,362
Finance costs	2(ii)	1,368,617	41,935
Depreciation and amortisation		108,583	47,807
Accounting fees		186,771	183,141
Insurance expense		78,520	35,763
Other expenses		731,582	242,152
Travel		225,357	29,234
Acquisition costs – common controlled transaction		114,379	-
Share based payment	2(iii)	662,080	-
Total Expenditure		16,637,623	7,135,625
Loss before income tax expense		(5,973,508)	(146,897)
Income tax expense	25	-	-
Loss after income tax attributable to equity holders of Servtech Global Holdings Limited	15	(5,973,508)	(146,897)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,712)	-
Total comprehensive loss for the year		(5,975,220)	(146,897)
Total comprehensive loss attributable to equity holders of Servtech Global Holdings Limited		(5,975,220)	(146,897)
Loss per share for the year attributable to the members of Servtech Global Holdings Ltd			
Basic loss per share	16	(0.1176)	(0.0037)
Diluted loss per share	16	(0.1176)	(0.0037)

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

SERVTECH GLOBAL HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT AS AT 30 JUNE 2017
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Consolidated	
		As at 30 June 2017	As at 30 June 2016
	Notes	$	$
Current Assets			
Cash and cash equivalents	3	3,300,575	364,666
Receivables	4	642,785	354,015
Total Current Assets		3,943,360	718,681
Non-Current Assets			
Receivables	5	561,275	189,116
Property, plant & equipment	6	454,909	110,317
Intangible assets	7	430,989	-
Total Non-Current Assets		1,447,173	299,433
Total Assets		5,390,533	1,018,114
Current Liabilities			
Payables	8	1,231,918	574,917
Employee provisions	10	143,504	38,678
Interest bearing liabilities	12	438,231	2,109,241
Total Current Liabilities		1,813,653	2,722,836
Non-Current Liabilities			
Trade and other payables	9	555,078	-
Employee provisions	11	72,697	11,885
Total Non-Current Liabilities		627,775	11,885
Total Liabilities		2,441,428	2,734,721
Net Assets/(Liabilities)		2,949,105	(1,716,607)
Equity			
Issued capital	13	10,040,552	1,000
Reserves	14	599,668	-
Accumulated losses	15	(7,691,115)	(1,717,607)
Total Equity/(Deficiency in Equity)		2,949,105	(1,716,607)

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

SERVTECH GLOBAL HOLDINGS LIMITED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Consolidated Year Ended 30 June 2017				
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2016	1,000	(1,717,607)	-	-	(1,716,607)
Loss for the period	-	(5,973,508)	-	-	(5,973,508)
Other comprehensive loss	-	-	-	(1,712)	(1,712)
Total comprehensive loss for the period	-	(5,973,508)	-	(1,712)	(5,975,220)
Share based payments – Note. 13,14	333,200	-	601,380	-	934,580
Transactions with owners in their capacity as owners					
Issue of share capital – Note. 13	10,594,240	-	-	-	10,594,240
Share issue costs	(887,888)	-	-	-	(887,888)
Balance at 30 June 2017	10,040,552	(7,691,115)	601,380	(1,712)	2,949,105
Balance at 1 July 2015	1,000	(1,570,710)	-	-	(1,569,710)
Loss for the period	-	(146,897)	-	-	(146,897)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(146,897)	-	-	(146,897)
Transactions with owners in their capacity as owners					
Issue of share capital	-	-	-	-	-
Share issue costs	-	-	-	-	-
Balance at 30 June 2016	1,000	(1,717,607)	-	-	(1,716,607)

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

SERVTECH GLOBAL HOLDINGS LIMITED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Consolidated Year Ended 30 June 2017 $	 Year Ended 30 June 2016 $
Cash flows from operating activities			
Receipts from customers		11,310,170	7,907,047
Payments to suppliers and employees		(14,481,433)	(7,971,030)
Interest paid		(73,032)	(1,211)
Advancement of funds to common controlled entities		-	(8,024)
Advancement of funds to employees		(12,626)	(151,400)
Interest received		8,709	335
Net cash outflow from operating activities	3	(3,248,212)	(224,283)
Cash flows from investing activities			
Payments for plant & equipment		(400,989)	(48,418)
Payments for intangible assets – rent roll		(460,567)	-
(Payments)/refunds of leasing deposits		(105,583)	15,000
Net cash outflow from investing activities		(967,139)	(33,418)
Cash flow from financing activities			
Proceeds from issues of shares		6,001,000	-
Transaction costs		(590,388)	-
Net cash acquired in common controlled acquisition	23	52,355	-
Proceeds from borrowings		1,638,231	-
Proceeds from shareholder loans		49,620	174,608
Net cash inflow from financing activities		7,150,818	174,608
Cash and cash equivalents at the beginning of the financial year		364,666	447,759
Net increase/(decrease) in cash and cash equivalents		2,935,467	(83,093)
Effect of movement in exchange rates on cash held		442	-
Cash and cash equivalents at the end of the financial year	3	3,300,575	364,666

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial report of Servtech Global Holdings Limited (the **Company, Group or Servtech**) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of directors on 29th September 2017.

The Company is a public company limited by shares incorporated on 14 September 2016 and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

The principle accounting policies adopted for the preparation of the annual financial report are set out below. These accounting policies have been applied consistently to all periods presented unless otherwise stated.

(i) Statement of compliance

This annual financial report for the year ended 30 June 2017 are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The annual financial report complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(ii) Basis of measurement and reporting convention

This annual financial report has been prepared on an accruals basis and is based on historical cost. The annual financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

On 16 September 2016 Servtech Global Holdings Limited completed a transaction with the shareholders of various entities under common control including the following (**Common Controlled Entities**); Sell Lease Property Pty Ltd (**SLP**) (the largest entity within the Group), Value Finance Pty Ltd (**VF**), Complete Settlements Pty Ltd (**CS**), Capitol Asset Management Pty Ltd (**CAM**), Real Estate Agent Performance Pty Ltd, Technobrave Pty Ltd (previously RET Global Pty Ltd), Critical Success Pty Ltd, Admin Tracker Pty Ltd, Admin Tracker Legal Pty Ltd, Admin Tracker Finance Pty Ltd, Admin Tracker Property Management Pty Ltd, Admin Tracker Conveyancing Pty Ltd, Admin Tracker Real Estate Pty Ltd, 4 Clicks CRM Pty Ltd, William Windsor Pty Ltd, Orange Asset Management Pty Ltd and Servtech Global Pty Ltd, to acquire 100% of the share capital of the various Common Controlled Entities in exchange for 40,000,000 shares in the Company. In accordance with Australian Accounting Standards, the acquisition does not meet the definition of a business combination as Servtech was established for the sole purpose of acquiring the Common Controlled Entities by way of equity. The shareholders of the Common Controlled Entities received the same proportion of equity instruments in Servtech.

The comparative financial information included in the Company's financial statements is that of Sell Lease Property Pty Ltd, not the Company. The results in the current period comprise those for SLP for the period 1 July 2016 to 15 September 2016 and the enlarged Group from 16 September 2016 to 30 June 2017.

However, the capital structure of the legal acquirer, the Company, is adopted in the annual financial report.

(b) Segment Information

Operating Segments – AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period. Operating segments are reported in a uniform manner to which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

An operating segment is a component of the Group that engages in business activity from which it may earn revenues or incur expenditure, including those that relate to transactions with other Group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Segment Information (continued)

The Board monitors the operations of the Company based on 4 segments; Sell Lease Property Pty Ltd, Value Finance Pty Ltd, Complete Settlements Pty Ltd and Capitol Asset Management Pty Ltd.

The financial results of each segments are reported to the board to assess the performance of the Group. The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and subsidiaries which represent the operational performance of the Group's revenues and the research and development activities as well as the finance, treasury, compliance and funding elements of the Group.

(c) Estimates and judgements

The preparation of the annual financial report requires the use of accounting estimates and judgements which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a degree of judgement or complexity in the preparing the annual financial report. Facts and circumstances may come to light after the event which may have significantly varied the assessment used which result in a materially different value being recorded at the time of preparing this annual financial report.

Deferred tax assets - The Group has not recognised deferred tax assets relating to carried forward tax losses or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 *Income Taxes*.

Intangible assets - Rent rolls are classified as intangible assets and recorded at cost less accumulated amortisation. The rent rolls are amortised over 7 years which is their estimated useful life based on comparable market evidence.

Upfront commission - The Group is entitled to receive upfront commissions from lenders on loans that have been originated by the Group and settled by the ultimate financier. There is a potential clawback period (which varies depending upon the lender) from when the loan settles (notwithstanding the Group has an ability to contractually obtain any clawback amount from the referring party), accordingly the Group has considered and assessed the provision for potential payment at 30 June 2017 as $nil (2016: $nil).

Trail commission - The Group is entitled to receive trail commissions from lenders on loans that have been originated by the Group and settled by the ultimate financier. The trailing commissions are received over the life of the loan based on the individual loan balance outstanding. The Group is also required to make trailing commission payments to brokers or other referrers.

The Group recognises the trail commissions as revenue on a gross basis at the present value of the consideration, determined by discounting the instalments receivable at the imputed rate of interest of 10%. An appropriate corresponding expense and provision is also recognised for the amount to be on-paid to the referring party.

The determination of the trailing commission revenue and receivable and expense and payable requires the use of considerable assumptions, including but not limited to the life of the underlying loan, which is consistent with general market practice.

Rental management referrals - The Group has entered into referral agreements with various parties in relation to property management rights ("rent roll"). Under the referral agreement the referrers are due deferred contingent commissions, which is the value of the rent roll generated by the Group once the following conditions are met:

- Serviced by the Group for 24 months
- A further 12 month agreement is entered into after the initial 24 month period

As the payment is contingent upon a future event (as outlined above) no provision is recognised until the above conditions are satisfied, however the potential amounts payable are detailed in Note 21. Any eventual referral fees paid will be capitalised as an intangible asset, being a cost directly relating to the acquisition of the rent roll.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Estimates and judgements (continued)

Capital reorganisation – The acquisition of 100% of the issued capital of the Common Controlled Entities by the Company, by way of issuing the shareholders of the Common Controlled Entities fully paid shares in the Company, has been determined by management to be a capital reorganisation as the transaction does not meet the definition of a business. Capital reorganisation transactions are a complex accounting area because there is no specific applicable accounting standards to these types of transactions. In the absence of specific guidance, management has used the guidance in AASB 108 *Accounting Policies, Change in Accounting Estimates and Errors* (para 10) whereby management have used their judgement in developing and applying a relevant and reliable accounting policy using pre-combination book values to account for this transaction as no substantive economic change has occurred. Refer to Notes 1(a)(ii) and 23 for additional information.

(d) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(f) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. For the year ended 30 June 2017 the Group recorded a loss of $5,973,508 (2016: $146,897) and had negative cash flows from operating activities of $3,248,212 (2016: $224,283).

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

During the year the Group prepared and lodged a prospectus raising $6,000,000, before associated costs, by the issue of 30,000,000 shares at an issue price of $0.20 each. The Group continued to develop its primary business operations being; Sell Lease Property Pty Ltd, Value Finance Pty Ltd, Complete Settlements Pty Ltd and Capitol Asset Management Pty Ltd. This included the expansion of these businesses into the eastern Australian states and the diversification of consulting services to industries such as the automotive, legal and petrol and convenience sectors.

The Group is continually assessing its ongoing cash requirements. As part of this process the Group maintains a strict internal cash flow management process which is based on numerous revenue and other assumptions. Should these assumptions not be achieved the directors believe the Group will reduce the cost base in line with revenue as required and raise additional capital as required.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Going Concern (continued)

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the reasons outlined above.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(g) New accounting standards and interpretations that are not yet mandatory

There are new standards and amendments to standards applicable to the Group and mandatory for the first time for the financial year beginning 1 July 2017 and beyond. None of the standards and interpretations have affected any of the amounts recognised in the current period or any prior period.

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

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group

Title and Reference	Nature of Change	Application date for entity
AASB 9 *Financial Instruments AASB 9*	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The Group has not yet made an assessment of the impact of these amendments.	1 July 2018
AASB 15 *Revenue from contracts with customers*	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Group is in the process of undertaking a full analysis of the impact of this standard.	1 July 2018
AASB 16 (issued February 2016) *Leases*	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases*. It instead requires an entity to bring most leases onto its Statement of Financial Position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its Statement of Financial Position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117. The Group has not yet made a detailed assessment of the impact of this standard at this stage.	1 July 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the methods shown in the table below to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable assets are as follows:

Class of fixed asset	Depreciation method	Depreciation rate
Office and computer equipment	Diminishing value	20% - 67%
Leasehold improvements	Straight-line	2.5%
Software development	Straight-line	4%–25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(l) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Servtech Global Holdings Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Servtech Global Holdings Limited.

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 16).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income taxes

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Research and development grant income is treated as a tax benefit.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

(p) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Business combinations (continued)

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(q) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Intangible assets

Rent rolls
Rent rolls are capitalised at their fair value at the date of acquisition.

AASB 138 *Intangible Assets* requires intangible assets with finite lives to be amortised over their useful lives. The rent rolls are expected to have finite lives and are therefore amortised over their useful lives. The useful life of a rent roll intangible asset is 7 years, which has been estimated based on comparable market evidence.

(s) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is Servtech Global Holdings Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Statement of Profit or Loss and Other Comprehensive Income, within finance costs.

All other foreign exchange gains and losses are presented in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Foreign currency translation (continued)

(iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position
- income and expenses for each Statement of Profit or Loss and other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale where applicable.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

The specific accounting policies for the Group's primary sources of revenue are detailed below:

- **Real estate sales commissions** - Revenue from real estate sales commission is recognised upon the settlement of the property.
- **Property management services** - Revenue from property management services is recognised in the accounting period in which the services are rendered.
- **Settlement fees** - Revenue from settlement fees in relation to conveyancing and settlement is recognised upon the settlement of the property.
- **Mortgage commission:**
    - **Upfront commission -** Upfront commissions from lenders on loans that have been originated by the Group and settled by the ultimate financier are recognised upon the settlement of the loan.
    - **Trail commission -** Trail commissions from lenders on loans that have been originated by the Group and settled by the ultimate financier are received over the life of the loan based on the individual loan balance outstanding. The Group recognises the trail commissions as revenue on a gross basis at the present value of the consideration, determined by discounting the instalments receivable at the imputed rate of interest. The determination of the trailing commission revenue and receivable and expense and payable requires the use of considerable assumptions, including but not limited to the life of the underlying loan.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

All revenue is stated net of the amount of goods and services tax (GST).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the Statement of Financial Position based on their nature.

(v) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for annual leave and accumulating sick leave are presented as employee provisions in the Statement of Financial Position while all other short-term employee obligations are presented as payables in the Statement of Financial Position .

(ii) Other long-term employee benefit obligations
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Employee benefits (continued)

(iii) Retirement benefit obligations
All Australian-resident employees of the Group are entitled to receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Other amounts charged to the financial statements in this respect represents the contributions made by the consolidated entity to employee retirement benefit funds in other jurisdictions.

(iv) Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Employee benefits (continued)

(v) Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(x) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

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

(y) Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible facility that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compony financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the Statement of Profit or Loss and Other Comprehensive Income. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $

2 LOSS FOR THE PERIOD

Loss for the year included the following items:

(i) Listing costs	644,146	-

The Company incurred costs to list on ASX which include professional fees in preparing the prospectus and additional expenditure in connection with this process. The amounts incurred represents one off costs and will not be incurred in the future.

(ii) Finance costs

Convertible notes – Note 12	1,200,000	-
Other	168,617	41,935
	1,368,617	41,935

Convertible Notes – During the year the Group issued $1,200,000 of convertible notes as initial capital raising (“Initial Capital Raising Notes”), refer Note 12 for further details.

The loan amount was repaid by the Group on the repayment date through the issue of shares in the Company. The Initial Capital Raising Notes were interest free but the issue price of shares on conversion was 50% of the price of shares issued under the Public Offer.

Following the conversion of the Initial Capital Raising Notes on the listing on the Australian Securities Exchange (“ASX”), the 50% conversion or $1,200,000 was recognised as a finance cost in the financial year ended 30 June 2017, with $2,400,000 recognised in issued capital.

(iii) Share based payments	662,080	-

During the period the Group undertook several share based payment transactions which are detailed in Note 13 and Note 14.

(iv) Revenue

Agency selling fees	8,137,185	6,500,376
Upfront commissions	619,123	-
Trail commissions	348,686	-
Management fees	351,553	-
Settlement fees	351,840	-
Interest income	8,709	335
Other revenue	847,019	488,017
	10,664,115	6,988,728

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
3 CASH	$	$
Cash at bank	3,300,575	364,666
Balance per statement of cash flows	3,300,575	364,666

Refer Note 27 for the risk exposure analysis for cash and cash equivalents.

	Consolidated	
	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
(a) Reconciliation of loss after income tax to net cash flows from operating activities		
Loss for the period	(5,973,508)	(146,897)
Non-cash items:		
Depreciation	108,583	47,807
Acquisition of common controlled entities	114,379	-
Interest on convertible note	1,200,000	-
Share based payment	662,080	-
Interest accrued on shareholder loan	84,999	-
Movements in assets/liabilities:		
(Increase)/decrease in other receivables	(542,418)	(9,218)
Increase in common controlled receivables	-	(8,024)
Increase in employee receivables	(12,626)	(151,400)
Increase/(decrease) in other payable and provisions	1,110,299	43,449
Net cash outflow from operating activities	(3,248,212)	(224,283)

(b) Non-cash financing and investing activities

(i) Issue of shares
The Company issued various shares (Note 13) and share based payments (Note 14) as detailed in relevant notes to the financial report.

(ii) Shareholder loans
During the year a shareholder loan was converted to equity as detailed in Note 13.

(iii) Convertible notes
Following the conversion of the Initial Capital Raising Notes (as detailed in Note 12) on the listing on the Australian Securities Exchange, the 50% conversion or $1,200,000 was recognised as a finance cost in the financial year ended 30 June 2017.

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
4 RECEIVABLES - CURRENT		
Trade and other receivables	429,961	196,437
Amounts receivable from employees	287,706	275,081
Provision for doubtful debts	(216,661)	(214,400)
	71,045	60,681
Amounts receivable from shareholders	2,095	51,715
Prepayments	139,684	45,182
	642,785	354,015

Refer Note 27 for the risk exposure analysis for receivables.

(a) Classification of trade and other receivables (current and non-current)
All receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value. The Group reviews all receivables for impairment. Any receivables which are doubtful have been provided for. Based on past experience all receivables where no impairment has been recognised are not considered to be impaired. No other class of financial asset is past due.

5 RECEIVABLES – NON CURRENT		
Receivables from common controlled companies	-	189,116
Trail commission receivables	561,275	-
	561,275	189,116

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
6 PROPERTY, PLANT & EQUIPMENT		
OFFICE & COMPUTER EQUIPMENT		
Office & computer equipment at cost	509,089	212,725
Less accumulated depreciation	(205,477)	(124,795)
	303,612	87,930
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at cost	138,530	23,358
Less accumulated depreciation	(1,555)	(971)
	136,975	22,387
SOFTWARE DEVELOPMENT		
Software development at cost	18,963	-
Less accumulated depreciation	(4,641)	-
	14,322	-
TOTAL PLANT & EQUIPMENT	454,909	110,317
7 INTANGIBLE ASSETS		
Intangible assets – rent roll	460,567	-
Less accumulated amortisation	(29,578)	-
	430,989	-

In December 2016 the Group acquired a parcel of rental management rights which has been recognised as an intangible asset. The purchase was funded via an external finance facility (refer Note 12).

8 PAYABLES - CURRENT		
Unsecured liabilities:		
Sundry creditors and accruals	1,215,227	506,876
Payables to employees	16,691	68,041
	1,231,918	574,917

Payables (current and non-current) are non-interest bearing. There are no payables where the fair value would be materially different from the current carrying value.

9 PAYABLES – NON-CURRENT		
Trail commission payables	555,078	-
10 EMPLOYEE PROVISIONS – CURRENT		
Annual leave	143,504	38,678
11 EMPLOYEE PROVISIONS – NON-CURRENT		
Long service leave	72,697	11,885

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
12 INTEREST BEARING LIABILITIES - CURRENT		
Payables to Shareholders – secured	-	2,109,241
Convertible Notes – unsecured	-	-
Finance Facility - secured	438,231	-
	438,231	2,109,241

(i) Terms of the borrowings

Payable to Shareholders – Upon the listing on the ASX, the major shareholder loan was converted to equity, (10,000,000 shares).

The amount was secured over the assets of the Group.

Convertible Notes – During the year the Group issued $1,200,000 of convertible notes as initial capital raising ("Initial Capital Raising Notes"). The key terms of the Initial Capital Raising Notes were as follows:
Repayment is the earlier of:

- 12 months from the draw down date or any other date as agreed in writing between the lender and the borrower
- The day on which a liquidity event occurs (being an initial public offer such as the Public Offer)
- Conversion of the loan amount

The loan amount was repaid by the Group on the repayment date through the issue of shares in the Company. The issue price of shares on conversion of the Initial Capital Raising Notes was 50% of the price of shares issued under the Public Offer.

Following the conversion of the Initial Capital Raising Notes on the listing on the Australian Securities Exchange ("ASX"), the 50% conversion or $1,200,000 was recognised as a finance cost in the financial year ended 30 June 2017, with $2,400,000 recognised in issued capital.

The facility was unsecured.

Finance facility – The Group entered into a finance facility to fund the acquisition of the intangible asset – rent roll. The external finance facility expires on the 29 Nov 2019 with a floating facility rate which is approximately 5.98% at period end.

The facility is secured against the management rights to which it relates. While the facility extends to the 29 November 2019 the financier has the right to revoke the facility at its discretion. Accordingly the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period and the facility is classified as current.

13 ISSUED CAPITAL

(i) Share Capital	As at 30 June 2017 Shares No.	As at 30 Jun 2016 Shares No.	As at 30 June 2017 $	As at 31 Jun 2016 $
Ordinary Shares	103,273,131	100,000	10,040,552	1,000

(ii) Movement in share capital

Date	Details	Number of shares	$
1 July 2016	Opening balance (i)	100,000	1,000
1 July 2016	Issue of shares in Sell Lease Property – employee share based payment (ii)	-	323,200
16 September 2016	Issue of shares – acquisition of common controlled subsidiaries (iii)	40,000,001	-
	Less: adjustment for continuation accounting	(100,000)	-
16 December 2016	Issue of shares - strategic partner (v)	250,000	-
16 December 2016	Issue of shares - retirement of shareholder loan (iv)	973,130	194,240
16 December 2016	Issues of shares – employee share based payment (vi)	50,000	10,000
14 March 2017	Issue of shares - initial public offering	30,000,000	6,000,000
14 March 2017	Conversion of major shareholder loan to equity (iv)	10,000,000	2,000,000
14 March 2017	Issue of shares to Otsana Capital (vii)	10,000,000	-
14 March 2017	Conversion of initial capital raising notes – Note 12	12,000,000	2,400,000
	Share issue costs	-	(887,888)
		103,273,131	10,040,552

(i) The application of continuation accounting for the acquisition and consolidation of the Common Controlled Entities required the disclosure of the value of Sell Lease Property Pty Ltd shares on issue as at 30 June 2016 as a comparative.

(ii) During the period, prior to the creation of the Company, the Group clarified a share based payment arrangement with Mr. Hungerford such that he was granted 1,616,000 shares in the Company.

(iii) Acquisition - refer to Note 23 for further commentary on the transaction.

(iv) The number of shares allocated to retire the shareholder loan was based on the outstanding loan balance and the $0.20 value per share that capital is being raised at in the IPO.

(v) On 16 December 2016, 250,000 shares were issued to a non-related party.

(vi) On 16 December 2016, 50,000 shares were issued to an employee who was a non-related party.

(vii) During the year, the Company issued 10,000,000 shares to Otsana Capital or its nominees. The amount was in relation to capital raising in addition to the fair value of services provided. Accordingly, no amount is recognised in equity as this related directly to equity raising.

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
14 RESERVES		
Share based payment reserve	601,380	-
Foreign currency translation reserve	(1,712)	-
	599,668	-

(i) Options/Rights	As at 30 June 2017	As at 30 June 2016	As at 30 June 2017	As at 30 June 2016
	Rights No.	Rights No.	$	$
Performance Rights – A Class	2,000,000	-	-	-
Performance Rights – B Class	2,000,000	-	-	-
Performance Rights – C Class	2,000,000	-	-	-
Performance Rights – D Class	2,000,000	-	214,420	-
Performance Rights – E Class	2,000,000	-	114,460	-
Performance Rights – F Class	3,300,000	-	-	-
Options ($0.30 exercise; 3 year expiry)	2,500,000	-	272,500	-

Date	Details	Number of Rights	$
16 December 2016	Opening balance	-	-
	Issue of D, E Class rights	4,000,000	328,880
	Issue of A, B, C, F Class rights	9,300,000	-
14 March 2017	Issue of options	2,500,000	272,500
	Closing balance	15,800,000	601,380

(ii) Fair value of rights granted

A performance rights plan (**PRP**) was established for the CEO and certain key employees and the non-executive directors. The performance rights were issued to the non-executive directors on 16 December 2016. The performance rights for the CEO and certain key employees were issued on 16 December 2016. The performance rights issued to the CEO and certain key employees and non-executive directors pursuant to the PRP vest based on the achievement of various performance hurdles. The performance rights have been granted to eligible participants as defined under the Company's performance rights plan. In order to remain an eligible participant, the employee or director must remain in service to the Group or the right will lapse and not vest.

Non- Executive Directors
The performance hurdles for the non-executive directors are based on 2 separate targets relating to the volume weighted average share price.

- Performance right D (2,000,000 rights issued) - The volume weighted average price (**VWAP**) for 10 consecutive trading days of shares equaling or exceeding $0.40.
- Performance right E (2,000,000 rights issued) - The VWAP for 10 consecutive trading days of shares equaling or exceeding $0.60.

The performance rights will vest on the date the milestone relating to that performance right has been satisfied. In total 4,000,000 performance rights were issued to the non-executive directors. The fair value of the performance rights issued by the Group was $0.10721 for the Class D rights and $0.05723 for the Class E rights.

To determine the fair value the binomial model valuation has been utilised. This transaction is recognised as a share based payment of $328,880 with a corresponding increase in other reserves.

14 RESERVES (CONTINUED)

(ii) Fair value of rights granted (Continued)

CEO

The performance hurdles for 6,000,000 performance rights issued to the CEO are based on 3 separate targets relating to:

- The earnings before tax, interest, depreciation and amortisation (**EBITDA**) for the Group will exceed $0 for any 3 consecutive calendar months within a 24 month period (the **Performance Period**) commencing from the proposed admission to the official list (**Listing Date**). The directors have assessed the probability of reaching this target as less likely than not and no share based payment expense has been recognised during the year.
- The Group will achieve $20m total revenue and other income in any 12 calendar month period during the Performance Period. The directors have assessed the probability of reaching this target as less likely than not and no share based payment expense has been recognised during the year.
- The Group will achieve $50m total revenue and other income in any 12 calendar month period within 36 calendar months from the Listing Date. The directors have assessed the probability of reaching this target as less likely than not and no share based payment expense has been recognised during the year.

The performance rights have been granted to eligible participants as defined under the Company's performance rights plan. In order to remain an eligible participant, the employee or director must remain in service to the Group or the right will lapse and not vest.

Key Employees

The performance hurdles for 3,300,000 performance rights issued to certain key employees are based on the following, EBITDA for the Group will exceed $0 for any 3 consecutive calendar months within the Performance Period, commencing from the Listing Date. The directors have assessed the probability of reaching this target as less likely than not and no share based payment expense has been recognised during the year..

The conditions attached to the Class A, B, C and F performance rights are non-market based. The fair value of the equity granted was by reference to the underlying share price at grant date being $0.20 per share. The Directors have assessed the probability of reaching the target as less likely than not, accordingly no share based payment expense has been recognised in relation to these performance rights at year end.

The Class D and E performance rights were valued using the binomial model valuation. The variables utilised to determine the value were as follows:

Particulars	Terms	
	Class D	Class E
Consideration	Nil	Nil
Share price milestone (volume weighted average price for 10 consecutive trading days)	$0.40	$0.60
Grant date	16 December 2016	16 December 2016
Expiry date	5 Years from date of official quotation to ASX	5 Years from date of official quotation to ASX
Share price	$0.20	$0.20
Expected volatility	45%	45%
Dividend yield	0%	0%
Risk free rate	2.00%	2.00%

A summary of the fair value of the performance rights issued are as follows:

Performance rights	No. of rights	Fair value per right	Total fair value
Class A	2,000,000	$0.20	$400,000
Class B	2,000,000	$0.20	$400,000
Class C	2,000,000	$0.20	$400,000
Class D	2,000,000	$0.10720	$214,420
Class E	2,000,000	$0.05723	$114,460
Class F	3,300,000	$0.20	$660,000
Total	13,300,000		$2,188,880

14 RESERVES (CONTINUED)

(iii) Fair value of options

In consideration for raising capital for the Company under the mandate the Group issued 1,500,000 options to 1861 Capital and 1,000,000 options to Otsana Capital with a fair value of $0.109. This transaction was recognised as a share based payment of $272,500 with a corresponding increase in other reserves in the financial year ended 30 June 2017. As the directors were not able to determine the fair value of the service, the expense has been recognised with reference to the fair value of the options granted. The details of the variables utilised to determine the valuation under the Black Scholes model were as follows:

Particulars	Terms
Consideration	Nil
Exercise price	$0.30
Grant date	23 December 2016
Expiry date	3 Years from date of official quotation to ASX
Share price	$0.20
Expected volatility	100%
Dividend yield	0%
Risk free rate	1.78%

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
15 ACCUMULATED LOSSES		
Opening balance	(1,717,607)	(1,570,710)
Loss for the period	(5,973,508)	(146,897)
Closing balance	(7,691,115)	(1,717,607)

	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
16 EARNINGS PER SHARE		
Loss attributable to ordinary shareholders	(5,973,508)	(146,897)
Weighted average number of ordinary shares (i)(ii)	50,784,950	40,000,000
Basic loss per share calculation (6mths loss / weighted avg shares)	(0.1176)	(0.0037)

(i) Includes the effect of the transaction (under continuation accounting) for the purpose of the comparative earnings per share calculation.
(ii) The share capital of Sell Lease Property Pty Ltd at 30 June 2016 was 100,000 shares on issue which the shareholders subsequently exchanged for shares in Servtech Global Holdings Limited.

17 SEGMENT REPORTING

	SLP[1]	VF[2]	CS[3]	CAM[4]	Other	Corporate	Total
	$	$	$	$	$	$	$
Year ended 30 June 2017							
Segment Revenue	8,621,693	1,051,677	445,645	491,213	45,261	8,626	10,664,115
Significant items							
Share based payments	323,200	-	-	-	-	338,880	
Finance costs	134,822	2,583	4,562	24,057	674	1,201,919	
Loss on common controlled acquisition	-	-	-	-	-	114,379	
Consultants fees	119,130	7,983	19,142	47,304	9,923	763,143	
Segment net operating loss after tax	(1,421,323)	(125,321)	20,290	(155,524)	(527,349)	(3,764,281)	(5,973,508)
Year ended 30 June 2016							
Segment Revenue	6,988,728	-	-	-	-	-	6,988,728
Significant items							
Other	-	-	-	-	-	-	-
Segment net operating loss after tax	(146,897)	-	-	-	-	-	(146,897)
Segment assets							
At 30 June 2017	911,283	736,398	128,171	524,081	360,511	2,730,089	5,390,533
At 30 June 2016	1,018,114	-	-	-	-	-	1,018,114
Segment liabilities							
At 30 June 2017	883,164	673,222	15,780	479,134	84,883	305,245	2,441,428
At 30 June 2016	2,734,721	-	-	-	-	-	2,734,721

[1] SLP: Sell Lease Property Pty Ltd
[2] VF: Value Finance Pty Ltd
[3] CS: Complete Settlements Pty Ltd
[4] CAM: Capitol Asset Management Pty Ltd

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

18 AUDITOR'S REMUNERATION

	Consolidated Year ended 30 June 2017	Year ended 30 June 2016
	$	$
BDO		
Audit and other assurance services		
Audit and review of financial statements	80,000	-
Other services - Investigating Accountant's Report	15,400	-
Total remuneration for audit and other assurance services	95,400	-

19 SUBSIDIARIES

	Date of the Gain of Control	Country of Incorporation	Class of Shares	Equity holding 2017 %	Equity holding 2016 %
Parent Entity:					
Servtech Global Holdings Ltd		Australia	Ordinary		
Subsidiaries of Servtech Global Holdings Ltd:					
Sell Lease Property Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Value Finance Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Complete Settlements Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Capitol Asset Management Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Real Estate Agent Performance Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Technobrave Pty Ltd (previously RET Global Pty Ltd)	16/9/2016	Australia	Ordinary	100	-
Critical Success Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Legal Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Finance Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Property Management Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Conveyancing Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Admin Tracker Real Estate Pty Ltd	16/9/2016	Australia	Ordinary	100	-
Servtech Global PH Inc	8/12/2016	Philippines	Ordinary	100	-
SVT India Private Limited	23/3/2017	India	Equity	100	-
The following subsidiaries were acquired as part of the transaction to acquire the Common Controlled Entities but have since been deregistered:					
4 Clicks CRM Pty Ltd	16/9/2016	Australia	Ordinary	-	-
William Windsor Pty Ltd	16/9/2016	Australia	Ordinary	-	-
Orange Asset Management Pty Ltd	16/9/2016	Australia	Ordinary	-	-
Servtech Global Pty Ltd	16/9/2016	Australia	Ordinary	-	-

20 RELATED PARTY TRANSACTIONS

(i) Transactions with directors and key management personnel
The Group may enter into agreements for services rendered with individuals (or an entity that is associated with the individuals) during the ordinary course of business.

Key management personnel compensation	Consolidated Year ended 30 June 2017 $	Year ended 30 June 2016 $
Short term employee benefits	492,470	8,000
Post-employment benefits	6,224	-
Long-term benefits	-	-
Share-based payments	328,880	-
	827,574	8,000

A number of entities associated with the directors and key management personnel have consulting agreement in place which has resulted in transactions between the Group and those entities during the period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

		Transaction Value		Outstanding Balance	
		Year Ended 30 June 2017 $	Year Ended 30 June 2016 $	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Director	**Transaction**				
Mr Nick Cernotta	Director Fees	42,419	-	-	-
Mr Nick Cernotta	Superannuation	4,030	-	-	-
Mr Nick Cernotta	Office Rent (a)	8,214	-	-	-
Mr Brynmor Hardcastle	Director Fees	28,700	-	-	-
Mr Brynmor Hardcastle	Legal Services (b)	254,671	-	10,404	-
Mr Brett Quinn	Consultancy Services (c)	271,201	8,000	-	-
Mr David Newman	Director Fees	23,100	-	-	-
Mr David Newman	Superannuation	2,194	-	-	-
Mr Faldi Ismail*	Corporate Advisory (d)	61,500	-	-	-
Mr Faldi Ismail*	Capital raising fees (e)	528,847	-	-	-
Mr Samuel Buick	Consulting fees (f)	127,050	-	-	-

* Resigned 15/12/16

20 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) An office owned by an entity of which Mr Cernotta is a related party is rented to the Company.
(b) A legal practice of which Mr Brynmor Hardcastle is a director, Bellanhouse Legal, provides consulting services in connection with the operations of the Group.
(c) A company of which Mr Brett Quinn is a director received consulting fees for services provided by Mr Quinn to the Group.
(d) A corporate advisory practice of which Mr Faldi Ismail is a director, Otsana Capital, provides corporate advisory services in connection with the operations of the Group.
(e) Otsana Capital, a company related to Mr Faldi Ismail, received capital raising fees and a success fee in relation to the initial public offering.
(f) A company of which Mr Samuel Buick is a director received consulting fees for services provided by Mr Buick to the Group.

(ii) Loans to Directors
The following directors loans are outstanding at year end. The loans are non-interest bearing

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
Mr. Brett Quinn	2,095	51,715

(iii) Performance Rights
The following performance rights have been granted during the period under review and are held at 30 June 2017:

	As at 30 June 2017	As at 30 June 2016	As at 30 June 2017	As at 30 June 2016
	Rights No.	Rights No.	$	$
Performance Rights – A Class - Held by executive director	2,000,000	-	-	-
Performance Rights – B Class - Held by executive director	2,000,000	-	-	-
Performance Rights – C Class - Held by executive director	2,000,000	-	-	-
Performance Rights – D Class - Held by non-executive directors	2,000,000	-	214,420	-
Performance Rights – E Class - Held by non-executive directors	2,000,000	-	114,460	-

(iv) Other Transactions
In addition to the transactions above, the following transactions occurred:

- The Company entered into a transfer of share agreement with the shareholders of the Common Controlled Entities to exchange their securities for securities in Servtech Global Holdings. As part of this transaction Mr. Brett Quinn received 9,293,000 shares in Servtech Global Holdings Limited.
- During the year the Company undertook the following transactions with Otsana Capital, a company associated with Mr. Faldi Ismail:
  - The issuance of 10,000,000 shares in the Company, to Otsana or its nominees
  - A 6% capital raising fee for any capital raised or funding sources that Otsana introduce as part of the Capital Raising transaction
  - A $150,000 success fee on the completion of the Capital Raising transaction
  - In consideration for raising capital for the Company under the mandate the Group issued 1,000,000 options to Otsana Capital with a total fair value of $109,000.

  As these amounts relate to the capital raising no amount was charged to the Statement of Profit or Loss or Other Comprehensive income.

21 CONTINGENT LIABILITIES

(i) Referral Agreements

The Group has entered into referral agreements with various parties in relation to property management rights. Under the referral agreement the referrers are due deferred contingent commissions, which is the value of the rent roll generated by the Group once the following conditions are met:

- Serviced by the Group for 24 months
- A further 12 month agreement is entered into after the initial 24 month period

Any eventual referral fees paid will be capitalised as an intangible asset, being a cost directly relating to the acquisition. As the payment is contingent upon a future event (including the referrer putting the rent roll back to the Group) no provision is recognised, however the potential amounts payable are (these amounts are recorded below at face value and not discounted or adjusted for the likelihood that the requirements will be met) are as follows:

	Consolidated	
	As at 30 June 2017	As at 30 June 2016
	$	$
As at reporting date	-	-
Within 1 year	225,920	120,121
Within 1 year to 2 years	175,231	52,538
	401,151	172,659

22 EVENTS OCCURING AFTER THE REPORTING PERIOD

On 11 July 2017, the Company entered into a non-binding Heads of Agreement (‘HOA’) with MM Legal Limited (‘MM’), signalling the Company’s first entry into the legal sector. In entering into the HOA, Servtech and MM will work collaboratively to evaluate the opportunity to complete and commercialise this concept, using Servtech’s expertise and its scalable and adaptable Software as a Service (SaaS) platform.

On 31 July 2017, the Company entered into two non-binding Heads of Agreements (‘HOA’) with Malaysian real estate companies, Millennium Summit Properties (‘Millennium’) and Harvest-Time Properties (‘Harvest’). Under the HOAs, Servtech will work together with each of Millennium and Harvest to assess their back office functions and determine the level of efficiencies and cost savings that may be generated through Servtech’s expertise and the potential adoption of its real estate specific technology platform, the ‘Angel’ platform.

On 15 September 2017, the Company announced the sale of its property management rent roll business, conducted through the subsidiary Capitol Asset Management Pty Ltd, for approximately $1.5 million. Servtech will be entitled to receive 80% of the relevant purchase price on or before 1 October 2017 (Settlement Date) with 20% of the purchase price to be held over to account for non-retained properties during the sale transition process. The final adjustment date will occur six months after the Settlement Date.

On 18 September 2017, the Company announced the signing of a software development contract with the Real Estate Institute of WA. Under the service agreement, Servtech has been engaged to develop a new consumer-focused mobile application. The technology development process will be executed through Servtech’s 100% owned subsidiary, Technobrave Pty Ltd, which specialises in providing web and mobile application software development services.

Other than the above, there were no other subsequent events.

23 ACQUISITION

(i) Summary of acquisition

During the year, Servtech Global Holdings Limited, which was established in September 2016, entered into a share sale agreement whereby the existing shareholders of the Common Controlled Entities exchanged their shares in the Common Controlled Entities for shares in Servtech Global Holdings Limited. The result of the transaction was that the original holders of the shares in the Common Controlled Entities received the same proportion of shares in Servtech Global Holdings Limited.

The acquisition does not fall within the provisions of AASB 3 *Business Combinations* and therefore the Company has applied continuation accounting in the preparation of the financial statements. This in effect involves the Company adopting book value accounting**.** Under this method, the assets and liabilities of the acquiree are recognised at their previous carrying amounts. No adjustments are made to reflect fair values and no new assets and liabilities of the acquiree are recognised at the date of the business combination. No goodwill is recognised. However, it is necessary to harmonise accounting policies. Any difference between the acquired net assets and the consideration is recognised in the Statement of Profit or Loss and Other Comprehensive Income. This approach is based on the view that the business simply has been transferred from one part of the group to another

Consideration/Cash Inflow
The total number of shares issued to the shareholders of Servtech Global Holdings Limited was 40,000,000 ordinary shares, with the fair value per share being the IPO price of $0.20 each.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Book Value
	$
Cash	52,355
Trade and other receivables	60,173
Net amounts receivable from employees	32,876
Prepayments	1,120
Trail commissions receivable	222,835
Plant & equipment	26,120
Sundry creditors and accruals	(119,043)
Payables to SLP	(173,825)
Trail commissions payable	(216,990)
Net liabilities	(114,379)

The acquired business contributed revenues of $2,033,796 and net loss of $787,904 to the Group for the period from 16 September to 30 June 2017. If the acquisition had occurred on 1 July 2016, consolidated pro-forma revenue and net loss for the period ended 30 June 2017 would have increased approximately $192,005 and $5,068 respectively.

24 PARENT ENTITY INFORMATION

The following details information related to the Parent entity, Servtech Global Holdings Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	Year ended 30 June 2017 $
Current assets	3,192,434
Non-current assets	134,442
Total assets	3,326,876
Current liabilities	360,360
Non-current liabilities	17,411
Total liabilities	377,771
Contributed equity	10,040,552
Option reserve	601,380
Accumulated losses	(7,692,827)
Total equity	2,949,105
Loss for the year	(7,692,827)
Other comprehensive income / (loss) for the year	-
Total comprehensive (loss) for the year	(7,692,827)

Guarantees in relation to subsidiaries

Servtech Global Holdings Limited does not have any guarantees in relation to subsidiaries (2016: nil).

Contingent liabilities

As detailed in Note 21, Servtech Global Holdings Limited has a contingent liability in respect of referral fees.

Commitments

Servtech Global Holdings Limited has the following commitments, which are included in the group's capital commitments as detailed in Note 28:

	Year ended 30 June 2017 $
Within one year	152,965
After one year but not more than five years	291,927
	444,892

25 INCOME TAX EXPENSE

	Consolidated	
	Year ended 30 June 2017	Year ended 30 June 2016
	$	$
(a) Income tax expense		
Current tax	-	-
Adjustments for current tax of prior periods	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(5,973,508)	(146,897)
Tax at the Australian tax rate of 30% (2016:30%)	(1,792,052)	(44,069)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	603,342	8,240
Tax effect of other deductible amounts not included in accounting loss	(53,273)	-
Tax losses and other timing differences for which no DTA is recognised	1,241,983	35,829
Income tax expense	-	-
(c) Unrecognised deferred tax assets and liabilities		
The directors estimate that the potential future income tax benefits carried forward but not brought to account at year end at the Australian corporate tax rate of 30% (2016: 30%) are made up as follows:		
Australian tax losses	1,157,811	348,056
Australian taxable temporary differences	148,808	-
Unrecognised net deferred tax assets	1,306,619	348,056

The tax benefits of the above deferred tax assets will only be obtained if:

(i) the Company derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised;
(ii) the Company complies with the conditions for deductibility imposed by law; and
(iii) no changes in income tax legislation adversely affecting the Company in utilising the benefits.

26 FINANCIAL ASSETS

For all financial instruments held as at 30 June 2017, the carrying value approximates fair value.

27 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

The Company's Board of Directors performs the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Board seeks to apply principles for overall risk management which balance the potential adverse effects of financial risks on the Group's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	Consolidated Year ended 30 June 2017	Consolidated Year ended 30 June 2016
	$	$
Financial assets		
Cash and cash equivalents	3,300,575	364,666
Receivables (current)	642,785	354,015
Receivables (non-current)	561,275	189,116
	4,504,635	907,797
Financial liabilities		
Payables (current)	1,231,918	574,917
Interest bearing liabilities	438,231	2,109,241
Trade and other payables (non-current)	555,078	-
	2,225,227	2,684,158

(a) Market Risk

(i) Interest rate risk

As at and during the year ended on reporting date, the Group had no significant interest bearing assets or liabilities other than liquid funds on deposit and a facility loan. As such, the Group's income and operating cash flows (other than interest income from funds on deposit and interest expense on the facility loan) are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk for each class of financial assets and liabilities is set out below:

	Consolidated Year ended 30 June 2017	Consolidated Year ended 30 June 2016
	$	$
Financial assets		
Cash and cash equivalents at floating rate	3,300,575	364,666
Financial liabilities		
Interest bearing liabilities	438,231	2,109,241

Group sensitivity

At 30 June 2017, if interest rates had changed by +/- 100 basis points from the year end with all other variables held constant, the loss for the year would have been $28,623 lower/higher (2016 $17,446 higher/lower), mainly as a result of a lower/higher interest income from cash and cash equivalents and interest expense on the loan facility. Equity would have been $28,623 higher/lower (2016 - $17,446 lower/higher) as a result of an increase/decrease in interest income from cash and cash equivalents and interest expense on the loan facility.

(ii) Commodity risk pricing

The Group is not exposed to commodity risk price risk.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, only independently rated parties with a minimum of 'A' are accepted. The Group trades only with recognised, trustworthy third parties. It is the Group's policy to perform credit verification procedures in relation to any customer's financial position and any past experience to set individual risk limits as determined by the Board.

The maximum exposure to credit risk at the reporting date is the carrying amount of the following financial assets:

	Consolidated	
	Year ended 30 June 2017	Year ended 30 June 2016
	$	$
Receivables (current)	642,785	364,666
Receivables (non-current)	561,275	189,116
	1,204,060	553,782

(c) Liquidity risk

Prudent liquidity risk management involves the maintenance of sufficient cash, marketable securities, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

As at the reporting date the Group has total financial liabilities of $2,225,227 (2016: $2,684,158), comprised of trade creditors and accruals ($1,231,918; 2016:$574,917) with a maturity of 1 – 3 months, trade payables ($555,078; 2016:$Nil) with a maturity of greater than 12 months, and interest bearing liabilities ($438,231; 2016:$2,109,241) with a facility expiry date of 29 November 2019.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of the following financial asset and financial liability which relate to trail commission is determined based on the net present value of the expected cash flows:

	2017
Financial asset	
Receivables (non-current)	$561,275
Financial liabilities	
Trade and other payments (non-current)	$555,078

The inputs used to determine the net present value of the receivable and payable in relation to the trail commission are as follows:

Average trail commission (% of loan) per annum	0.17%
Average term of loan (months)	42
Discount rate	10%

(e) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of cash equivalents and equity attributable to equity holders of the Parent. The Group is not subject to externally imposed capital requirements.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Foreign exchange risk

As a result of operations in the Philippines and India, the Group's Statement of Financial Position can be affected by movements in the Philippine Peso (PHP)/AUD and Indian Rupee (INR)/AUD exchange rates. The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At 30 June 2017, the Group had the following exposure to foreign currency (2016: Nil):

30 June 2017	**PHP**	**INR**
Financial assets	**A$**	**A$**
Cash and cash equivalents	58,108	26,626
Receivables	24,754	-
	82,862	26,626
Financial liabilities		
Payables	64,139	18,997
	64,139	18,997
	18,723	7,629

The following sensitivity is based on a 10% movement of PHP and INR against the AUD and the effect on the net profit and equity of the Group for the period to 30 June 2017, with all other variables held constant:

	30 June 2017	
	Profit	**Equity**
	$	**$**
PHP and INR increasing 10% against AUD	(22,147)	(19,512)
PHP and INR decreasing 10% against AUD	22,147	19,512

Foreign exchange rates used during the period were as follows:

	30 June 2017	
	AUD:PHP	**AUD:INR**
Rate as at 30 June	38.74500	49.60700
Average rate for the period	37.58843	48.32806

28 COMMITMENTS

The Group has entered into the following commercial leases for office accommodation:

Perth office: The property lease is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. Options exist to renew the lease at the end of the 3 year term for an additional 2 years and then for a further 2 years at the end of the first option term.
Queensland office: The property lease is a non-cancellable lease with a 2 year term until 19 March 2019, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the greater of CPI or 4% per annum. An option exists to renew the lease at the end of the 2 year term for an additional 3 years.
Philippines office: The property lease is a non-cancellable lease with a two term to 31 March 2019, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3% per annum. The lease can be renewed subject to mutual agreement by the lessor and lessee.
Indian office: The property lease is a non-cancellable lease with a term of 11 months and 29 days to 29 March 2018, with rent payable monthly in advance. The lease can be renewed for a further term of 11 months and 29 days subject to mutual agreement by the lessor and lessee.

	Consolidated	
	Year ended 30 June 2017	Year ended 30 June 2016
	$	$
Within one year	365,420	-
After one year but not more than five years	434,784	-
	800,204	-

SERVTECH GLOBAL
EFFICIENT SERVICES EFFECTIVE TECHNOLOGY

DIRECTORS' DECLARATION

In the opinion of the directors of Servtech Global Holdings Limited:

(a) the financial statements and notes 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 30 June 2017 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards, 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.

Signed in accordance with a resolution of the directors.

Mr Nicholas Cernotta
Chairman

Dated at Perth, Western Australia this 29th day of September 2017.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Servtech Global Holdings Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Servtech Global Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(f) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Share-based Payments

Key audit matter	How was the matter addressed in our audit
As disclosed in Note 14, the Company has issued various performance rights in five classes, each attached to different performance milestones to key management personnel and employees. A share based payment expense of $328,880 is recorded in the Statement of Profit and Loss and Other Comprehensive Income as at 30 June 2017. Accounting for performance rights is a key audit matter as the fair value of each performance right requires judgement and use of assumptions regarding their recognition and measurement.	Our work included, but was not limited to, the following: • Recalculating the estimated fair value of the performance rights using relevant valuation methodologies, and assessing the valuation inputs using internal specialists where appropriate; • Assessing the condition probability's where assigned; and • Assessing the adequacy of the disclosures in Note 14.

Other information

The directors are responsible for the other information. The other information comprises the information in the Director's report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon. Which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 14 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Servtech Global Holdings Ltd, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 29 September 2017

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition). The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2017.

Board Composition

The skills, experience and expertise relevant to the position of each Director in office for the year and their term of office are detailed in the Director's report.

The independent Directors of the Company during the period were:

- Mr Nick Cernotta
- Mr David Newman

When determining the independent status of a Director, the Board used the Guidelines detailed in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

Compliance with ASX Recommendations

Recommendation		ServTech Global Holdings Limited Current Practice
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management.	The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at www.servtechglobal.com.au
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company has implemented a policy of undertaking police and bankruptcy checks on all directors before appointment or putting to shareholders for election. The Company provides all relevant information on all directors in its annual report and on its website.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.	The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company's organisation chart reflects the position of the Company Secretary within the Company structure in compliance with the recommendation.
1.5	A listed entity should: (a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) Disclose that policy or a summary of it; and (c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Company has adopted a formal Gender Diversity Policy, a summary of which is provided above. As at 30 June 2017: • The Board comprised four members, all of whom were male. • The senior executives comprised 23 people (defined by the Board as the directors and other key management personnel), 17 of whom were male and 6 female. • The whole organisation comprised 304 people, 150 of whom were male and 154 female.

1.6	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board Performance Evaluation Policy is available at www.servtechglobal.com.au During the reporting period, the Board collectively assessed their respective roles and contributions to the Company and determined they were appropriate for that point in the Company's development. The Board constantly reviews its composition and during the period, the strategic appointments of Nick Cernotta and David Newman to the Board provided the requisite skills for the successful initial public offering of the Company and the next stage in the Company's development.
1.7	A listed entity should: (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board constantly assesses the performance of the executives during the course of the year.
2.1	The board of a listed entity should: (a) Have a nomination committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board considers that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a nomination committee.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board Charter which is available at www.servtechglobal.com.au incorporates a set of skills and abilities that are desirable for the composition of the Board. The Board is satisfied that it an appropriate mix of desired skills were available to act effectively.

2.3	A listed entity should disclose: (a) The names of the directors considered by the board to be independent directors; (b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) The length of service of each director.	The Company considers that Nick Cernotta and David Newman are independent directors. By virtue of their roles as Managing Director of the Company and Managing Partner of the Company's legal advisor respectively, Brett Quinn and Bryn Hardcastle are not considered to be independent directors. The length of service of each director is disclosed in the Director's Report.
2.4	A majority of the board of a listed entity should be independent directors.	The Company does not comply with this recommendation, however, as half of the directors, including the Chairman, are independent, the Board is of the opinion that it can effectively act in the best interests of shareholders.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair of the Board, Nick Cernotta, is an independent director. He does not act in the role of CEO.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	The Company has an induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company. The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) Disclose that code or a summary of it.	The Company's Code of Conduct is available at www.servtechglobal.com.au

4.1	The board of a listed entity should: (a) Have an audit committee which: i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board; and disclose: iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Company does not have an audit committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available at www.servtechglobal.com.au). The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee. The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	The Board receives a declaration from the Managing Director and CFO confirming the records of the Company prior to signing financial statements.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at www.servtechglobal.com.au
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation and all relevant information can be found at www.servtechglobal.com.au

6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods.
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	The Company does not have a risk committee due the current size of the Board and Company. The Company has adopted a policy whereby the full Board fulfils the duties of the risk committee and abides by the adopted Risk Management Policy (available at www.servtechglobal.com.au). The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Company has in place a robust risk management framework that constantly monitors critical success factors across the Group. This is reviewed on a monthly basis with the Board as the Company is in an early stage of its development.

7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.
8.1	The board of a listed entity should: (a) have a remuneration committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director; and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board consider that given the current size of the Board, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a remuneration committee. The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.
8.2	A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company recognises that Director, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at www.servtechglobal.com.au) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.

ADDITIONAL INFORMATION

Shareholder Information

The following information is based on share registry information processed up to and including 30 October 2017.

Distribution of Holders of Equity Securities

The number of holders, by size of holding, for fully paid ordinary shares in the Company is:

Spread of Holders	Number of Holders		
	Shares*	Options	Performance Rights
1 – 1,000	3	-	-
1,001 – 5,000	20	-	-
5,001 – 10,000	61		-
10,001 – 100,000	278	6	1
100,001 and over	124	2	20
Total	**486**	**12**	**21**

* Includes ASX quoted shares and shares not quoted on ASX (i.e. restricted shares)

There are 32 holders of unmarketable parcels comprising a total of 146,722 ordinary shares.

Twenty Largest Holders of Quoted Shares

	Shareholder	Number Held	% of Issued Shares
1	Mr Keith James Scudds & Mrs Patricia Anne Scudds	3,989,123	7.82%
2	Ms Merle Smith & Mrs Kathryn Smith	3,235,832	6.34%
3	Seivad Investments Pty Ltd	3,088,874	6.06%
4	Mr Gregory Mortlock	2,589,130	5.08%
5	Surf Coast Capital Pty Ltd <Minnie P/F A/C>	2,000,000	3.92%
6	Mr Peter Davies	1,850,000	3.63%
7	Mr Brett Hungerford & Mr Jason Hungerford <The Hungerford Family A/C>	1,616,000	3.17%
8	Mr Alexander Sebregts & Mrs Elizabetta Sebregts <Sebregts Family A/C>	1,308,000	2.56%
9	J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	1,000,000	1.96%
10	Seventy Three Pty Ltd <King Super Fund No 3 A/C>	900,000	1.76%
11	Mr Nicholas Luigi Cernotta	800,000	1.57%
12	Marcus Dell Pty Ltd	560,000	1.10%
13	Fenway Investments Pty Ltd <Bases Loaded Super Fund A/C>	550,000	1.08%
14	AH Super Pty Ltd	500,000	0.98%
15	Mr Mark Bailey	500,000	0.98%
16	Mr Jason Bontempo & Mrs Tiziana Battista <Morriston Super Fund A/C>	500,000	0.98%
17	Benefico Pty Ltd	475,000	0.93%
18	Mr William Haywood & Mr Scott Haywood <Haywood Family Super CMA A/C>	400,000	0.78%
19	Ms Rosemarie Jane Paspaliaris	380,000	0.74%
20	Rodrigo Valencia	375,000	0.74%
Total		**26,616,959**	**52.18%**

ServTech Global Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares. The Company is listed on the Australian Securities Exchange under the code SVT. The Home exchange is Perth.

There are 54,238,136 ordinary fully paid shares listed and trading on the Australian Securities Exchange at 30 October 2017.

Voting Rights

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share. Option holders and performance right holders have no voting rights until the options are exercised or the rights converted.

Restricted Securities

Number	Type	Escrow Period
500,000	Fully paid ordinary shares	11 November 2017
250,000	Fully paid ordinary shares	16 December 2017
48,284,995	Fully paid ordinary shares	17 March 2019
2,500,000	Unquoted options	17 March 2019
2,000,000	Class A performance rights	17 March 2019
2,000,000	Class B performance rights	17 March 2019
2,000,000	Class C performance rights	17 March 2019
2,000,000	Class D performance rights	17 March 2019
2,000,000	Class E performance rights	17 March 2019

Unquoted Equity Securities

Quantity	Class	Number of Holders	Holders with >20% (number)
2,000,000	Class A performance rights	1	Outsourced Global Limited (2,000,000)
2,000,000	Class B performance rights	1	Outsourced Global Limited (2,000,000)
2,000,000	Class C performance rights	1	Outsourced Global Limited (2,000,000)
2,000,000	Class D performance rights	3	Nicholas Cernotta (666,668) DXB Holdings Pty Ltd (666,666) David Newman (666,666)
2,000,000	Class E performance rights	3	Nicholas Cernotta (666,668) DXB Holdings Pty Ltd (666,666) David Newman (666,666)
3,300,000	Class F performance rights	13	Under Employee Incentive Plan
2,500,000	Options exercisable at $0.30 on or before 17 March 2019	8	Asenna Wealth Solutions Pty Ltd (500,000) Seivad Investments Pty Ltd (1,500,000)

Use of Funds

In accordance with Listing Rule 4.10.19, the Company advises that it has used its cash and assets in a form readily convertible to cash that it had at the time of admission to ASX in a way consistent with its business objectives as set out in the Prospectus dated 20 December 2016. This statement refers to the time between the Company's admission to ASX and the end of the reporting period, being 30 June 2017.

On-Market Buy-Back

There is no current on-mark buy-back.

Company Secretary

Ms Oonagh Malone

Registered Office

C/- Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
Perth WA

Principal Place of Business
Level 5, 92 Walters Drive
Osborne Park WA
Ph: 1300 202 101

Share Registry
Automic
Suite 310, 50 Holt Street
Surry Hills NSW
Ph: 1300 288 664