

Appendix 4E

(Rule 4.3A)

Preliminary Final Report

Name of entity

Zyber Holdings Limited	ABN: 84 131 090 947
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1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
30 June 2018	30 June 2017

2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	-	-	to	-
2.2	Loss from ordinary activities after tax attributable to members	down	59%	to	845
2.3	Net loss for the period attributable to members	down	59%	to	845
2.4	Loss per share	down	67%	to	0.13 cents
Brief Explanation of Results					
The loss from ordinary activities and net loss for the period for the consolidated entity amount to \$845,808 (30 June 2017: \$2,067,229).					

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.0017	\$0.0029

4. Control gained or lost over entities having material effect

There was no material effect change from 30 June 2017 in the entity's control gain or loss.

5. Dividends

There were no dividends declared or paid during the period.

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6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Foreign Entities

This report includes Zyber Secure Mobile Solutions Inc. and 1050494 B.C. Ltd, companies registered in Canada, which are 100% owned subsidiaries of Zyber Holdings Limited.

9. Annual Report

This preliminary final report is based on unaudited financial statements which are currently in the process of being audited.

Name: George Hatzipapas
Executive Chairman

Date: 31 August 2018

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Holdings Limited
AND CONTROLLED ENTITIES

ABN: 84 131 090 947

Unaudited Preliminary Financial Report
For The Year Ended 30 June 2018

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

ABN: 84 131 090 947

**Unaudited Preliminary Financial Report
For The Year Ended 30 June 2018**

CONTENTS	Page
Corporate Information	1
Results for Announcement to the Market	2
Statement of Profit or Loss and Other Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

Corporate Directory

Directors

Mr George Hatzipapas
Executive Chairman

Mr George Callianiotis
Non-Executive Director

Mr Scott Mison
Non-Executive Director

Company Secretary

Mr Scott Mison

**Registered Office & Principal Place of
Business**

17 Lacey Street
Perth WA 6000

Postal Address

PO Box 1745,
Carindale, Queensland 4152

Web Site

www.zyber.com.au

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

ASX Code: **ZYB, ZYBOA**

Country of Incorporation and Domicile

Australia

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Results for Announcement to the Market

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company during the year were the development of computer hardware, software and services of secure file synchronization and sharing solutions in Canada.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated statement of comprehensive income shows a net loss attributable to members of \$845,808 (2017: \$2,067,229).

REVIEW OF OPERATIONS

During the first quarter, the Zyber development team completed the launch of the Zyber Enterprise application as a free beta product. This enabled potential customers to register a private domain with 2GB of space and then test drive the platform for free.

The development team also completed development of import functionality from Dropbox, allowing Zyber users to connect to their Dropbox account and import files into the Zyber platform. This integration has shown that Zyber can be connected with other file sharing platforms to ensure that data can be imported and managed from the Zyber platform, giving users the convenience and security of the central control of their data.

During the second quarter, the Zyber development team monitored and resolved issues with the beta stage Zyber platform and continued to enhance the application based on this valuable feedback.

In addition to this work, a new feature was added which provided the ability to upload files and integrate with zapier.com, a web-based service that allows end users to integrate the various web applications ("apps") they use.

Zapier connects to thousands of apps and can trigger custom workflows allowing users to build integrations very easily to the Zyber secure file storage platform.

During the first half year, development work also continued in providing key performance improvements, particularly with large file uploads and data storage configurations. This ensures easy scalability for the platform meaning that Zyber can handle large data, and rapidly expanding data, which should provide more opportunities for the software in the future.

Zyber was initially listed on ASX as a business developing a secure, easy to install, mobile communication platform that allows users to transact, share data and collaborate across multiple devices and operating systems. The design of the software platform has departed from its original development objectives, which included 4 stages beginning with USB virtual desktop and ending with mobile touch virtualization. Zyber is now developing a proof of concept that will provide end-to-end encryption using blockchain technology.

Zyber has not proceeded with its previous plans to prepare provisional patent applications and will consider the most appropriate means of protection given the software's stage of development and its budget.

During the second half of the year the Board continued to review opportunities to further develop the Zyber platform and its portfolio of product offerings.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year there were the following significant changes in the state of affairs of the consolidated entity occurred:

- On 4 September 2017 Mr Geoffrey Gander was appointed as a Non-Executive Chairman after the resignation of Mr Jason Tomkinson.
- On 3 October 2017 Mr Scott Mison was appointed as a Non-Executive Director and Company Secretary after the resignation of Mr Paul Callander as a Director and Elizabeth Hunt resigned as Company Secretary.
- On 22 January 2018 Mr Bernard Crawford was appointed as a Non-Executive director after the resignation of Mr Peter Wall.

ZYBER HOLDINGS LIMITED

- On 21 February 2018 Mr George Hatzipapas was appointed as an Executive Director and Mr Bernard Crawford resigned.
- On 15 May 2018 Mr George Callianiotis joined the Board as a Non-Executive Director.
- On 22 May 2018 Geoff Gander had tendered his resignation as Non-Executive Director.

Significant events after the reporting period

There are no significant events subsequent to year end.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The management team and Board of Directors (the Board) of the Company are continuing to review opportunities available to the Company, which includes the assessment of new opportunities with various intellectual property interests pertaining to data security and software and other industry sectors.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Consolidated 2018 \$	2017 \$
Revenue from continuing operations		-	-
Other income	2	21,818	28,855
Expenses			
Exploration expenditure written off		-	-
Amortisation expense		(1,452)	(1,437)
Finance costs		(2,259)	(438)
Consultancy costs	3	(296,477)	(1,207,700)
Marketing		(161,734)	(285,216)
Directors fees		(36,953)	(278,882)
Other expenses	4	(368,749)	(322,411)
Loss before income tax from continuing operations		(845,808)	(2,067,229)
Income tax expense		-	-
Loss after income tax for the year		(845,808)	(2,067,229)
Other comprehensive income:		-	-
Total comprehensive loss for the year		(845,808)	(2,067,229)
Loss per share			
Basic loss per share (cents)	5	(0.13)	(0.40)
Diluted loss per share (cents)	5	(0.13)	(0.40)

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Note	Consolidated 2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,001,728	1,745,049
Trade and other receivables	7	25,928	14,572
Other assets	8	109,808	223,821
Total current assets		<u>1,983,442</u>	<u>1,983,442</u>
Non-Current assets			
Intangible assets	9	6,230	7,508
Total non-current assets		<u>6,230</u>	<u>7,508</u>
Total assets		<u>1,143,693</u>	<u>1,990,950</u>
Liabilities			
Current liabilities			
Trade and other payables	10	66,244	111,143
Total current liabilities		<u>66,244</u>	<u>111,143</u>
Total liabilities		<u>66,244</u>	<u>111,143</u>
Net assets		<u>1,077,449</u>	<u>1,879,807</u>
Equity			
Issued capital	11	7,942,443	7,721,874
Reserves	12	3,962,329	4,139,448
Accumulated losses		(10,827,323)	(9,981,515)
Total equity		<u>1,077,449</u>	<u>1,879,807</u>

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2016	5,766,503	3,870,480	(7,914,286)	1,722,697
Loss for the year	-	-	(2,067,229)	(2,067,229)
Total comprehensive loss for the year	-	-	(2,067,229)	(2,067,229)
Transactions with owners, in their capacity as owners				
Shares issued during the year	2,463,018	-	-	2,463,018
Options issued during the year	-	382,055	-	382,055
Conversion of exchangeable shares (as per Zyber acquisition)	115,936	(115,936)	-	-
Foreign currency translation	-	2,849	-	2,849
Transaction costs	(625,583)	-	-	(625,583)
Total transactions with owners	1,955,371	268,968	-	2,224,339
Balance at 30 June 2017	7,721,874	4,139,448	(9,981,515)	1,879,807
Balance at 1 July 2017	7,721,874	4,139,448	(9,981,515)	1,879,807
Loss for the year	-	-	(845,808)	(845,808)
Total comprehensive loss for the year	-	-	(845,808)	(845,808)
Transactions with owners, in their capacity as owners				
Shares issued during the year	32,173	-	-	32,173
Conversion of exchangeable shares (as per Zyber acquisition)	188,396	(188,396)	-	-
Foreign currency translation	-	11,277	-	11,277
Total transactions with owners	220,569	(177,119)	-	43,450
Balance at 30 June 2018	7,942,443	3,962,329	(10,827,323)	1,077,449

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Consolidated	
		2018	2017
		\$	\$
Cash flows from operating activities			
Interest received		21,818	28,855
Payments to suppliers and employees		(797,313)	(1,876,597)
Net cash used in operating activities		<u>(775,495)</u>	<u>(1,847,742)</u>
Cash flows from investing activities			
Acquisition of subsidiary, net cash acquired		-	-
Net cash provided by investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares		32,174	2,303,018
Proceeds from issue of options		-	500
Share issue costs		-	(242,028)
Net cash provided by financing activities		<u>32,174</u>	<u>2,061,490</u>
Net increase in cash held		(743,321)	213,748
Cash and cash equivalents at beginning of financial year		<u>1,745,049</u>	<u>1,531,301</u>
Cash and cash equivalents at end of financial year	6	<u>1,001,728</u>	<u>1,745,049</u>

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

These consolidated financial statements and notes represent those of Zyber Holdings Limited and Controlled Entities (the "consolidated entity").

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

The financial statements cover Zyber Holdings Limited which is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has applied.

Accounting Policies

The following is a summary of material accounting policies adopted in the preparation of the financial statements as presented below and have been consistently applied unless stated otherwise.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, consolidated entity incurred losses of \$845,808 respectively and the consolidated entity had cash outflows from operating activities of \$775,495 for the year ended 30 June 2018.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Zyber Holdings Limited at the end of the reporting period. A controlled entity is any entity over which Zyber Holdings Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation. Accounting policies of subsidiaries have been charged where necessary to ensure consistency with those adopted by the parent entity.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss.

Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(b) Income Tax

Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Zyber Holdings Limited and its wholly-owned controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and if recognised, the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortization of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(e) Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment (Continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the consolidated entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue and Other Income

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(k) Intangible assets

Intangible assets acquired, either individually or with a group of assets, are initially recognised and measured at cost. Intangible assets with finite lives are amortised over their estimated useful lives using the straight-line method at the following rates:

Intellectual property	7 years
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At the end of each reporting period, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss, or any reversal of a previously-recognized impairment loss, is recognised immediately in profit or loss.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) and Canada Revenue Agency (CRA).

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 ATO and CRA 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 ATO and CRA are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(o) Foreign currency translation

The financial statements are presented in Australian dollars, which is Zyber Holdings Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Zyber Holdings Limited, 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 financial year.

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.

(q) Comparative Figures

The comparative financial information presented as of and for the twelve months ended 30 June 2017.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates

(i) Impairment - General

The consolidated entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments

(i) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Market conditions are taken into consideration in determining fair value.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 2 REVENUE AND OTHER INCOME

	Consolidated	
	2018	2017
	\$	\$
Revenue from continuing operations		
Revenue		
Sales	-	-
Other income		
Interest received – bank	21,818	28,301
Other	-	554
Total Other Income	21,818	28,855

NOTE 3 CONSULTANCY COSTS

	Consolidated	
	2018	2017
	\$	\$
Accounting & audit fees	65,802	137,148
Company secretarial	19,890	103,867
Corporate advice	-	40,000
Legal fees	49,473	142,471
Technical	161,312	484,355
Other		299,859
Total Consultancy Costs	296,477	1,207,700

NOTE 4 OTHER EXPENSES

	Consolidated	
	2018	2017
	\$	\$
Compliance costs	57,339	68,724
Travel related costs	68,496	43,144
Insurance	13,622	60,484
Termination of licence agreement	-	490
Foreign exchange gain/loss	-	2,102
Other	229,292	147,467
Total Other Expenses	368,749	322,411

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 5 LOSS PER SHARE

	Consolidated	
	2018	2017
Basic loss per share (cents)	(0.13)	(0.40)
Diluted loss per share (cents)	(0.13)	(0.40)
	2018	2017
	\$	\$
(a) Loss for the year	(845,808)	(2,067,229)
Loss used to calculate basic loss per share	(845,808)	(2,067,229)
Loss used to calculate diluted loss per share	(845,808)	(2,067,229)
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	647,989,563	513,233,247
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	647,989,563	513,233,247

As the consolidated entity is in a loss position, the diluted loss per share calculation excludes the dilutive effect of the options issued during the year ended 30 June 2018.

NOTE 6 CASH AND CASH EQUIVALENTS

	Consolidated	
	2018	2017
	\$	\$
Cash at bank and on hand	1,001,728	1,745,049
	<u>1,001,728</u>	<u>1,745,049</u>

Reconciliation to cash and cash equivalents at the end of the financial year.
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balance as per statement of cash flows	1,001,728	1,745,049
	<u>1,001,728</u>	<u>1,745,049</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTE 7 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018	2017
	\$	\$
CURRENT		
Other receivables (i)	25,928	14,572
Total current trade and other receivables	<u>25,928</u>	<u>14,572</u>

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 8 OTHER ASSETS

	Consolidated 2018	2017
	\$	\$
Prepayments ¹	109,808	223,821
	109,808	223,821

¹ Prepayments relate to contracts for consulting and sales services and rental deposits.

NOTE 9 INTANGIBLE ASSETS

	Consolidated 2018	2017
	\$	\$
License agreements		
Cost	10,382	10,382
Amortisation	(4,152)	(2,874)
	6,230	7,508

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**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 10 TRADE AND OTHER PAYABLES

	Consolidated 2018	2017
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	4,344	54,112
Accrued expenses	25,000	27,055
Other payables	36,900	29,976
	<u>66,244</u>	<u>111,143</u>

NOTE 11 ISSUED CAPITAL

	Consolidated 2018	2017
	\$	\$
Ordinary shares issued and fully paid (a)	7,942,444	5,766,503
Issued capital	<u>7,942,444</u>	<u>5,766,503</u>

	Consolidated	
	Number	\$
(a) Ordinary shares		
At 1 July 2016	229,207,210	5,766,503
Add:		
Conversion of performance rights	8,000,000	160,000
Conversion of exchangeable shares (as per Zyber acquisition)	2,768,699	115,936
Shares issued for cash via placement	190,000,000	1,235,000
Shares issued for cash via entitlement offer	213,603,562	1,068,018
Shares issue costs	-	(623,583)
At the end of the reporting period – 30 June 2017	<u>643,579,471</u>	<u>7,721,874</u>
	Number	\$
At 1 July 2017	643,579,471	7,721,874
Add:		
Conversion of options	2,681,118	32,174
Conversion of exchangeable shares (as per Zyber acquisition)	4,499,136	188,396
At the end of the reporting period – 30 June 2018	<u>650,759,725</u>	<u>7,942,444</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

NOTE 12 RESERVES

	Consolidated 2018	2017
	\$	\$
Exchangeable Shares Reserve (a)	3,384,213	3,572,609
Options Reserve (b)	382,055	382,055
Foreign Currency Reserve (c)	196,061	184,784
	<u>3,962,329</u>	<u>4,139,448</u>

	Consolidated	
(a) Exchangeable Shares Reserve	Number	\$
At 1 July 2016	88,086,902	3,688,545
Shares issued for the acquisition of Zyber Secure Mobile Solutions Inc.	<u>(2,768,699)</u>	<u>(115,936)</u>
At the end of the reporting period – 30 June 2017	<u>85,318,203</u>	<u>3,572,609</u>
At 1 July 2017	85,318,203	3,572,609
Shares exchanged for Zyber Holdings Limited shares	<u>(4,499,136)</u>	<u>(188,396)</u>
At the end of the reporting period – 30 June 2018	<u>80,819,067</u>	<u>3,384,213</u>

Exchangeable shares are non-voting, convertible, redeemable, preferred shares in the capital of 1050494 B.C. Ltd. Each exchangeable share is exchangeable for one ordinary share in Zyber Holdings Limited at the election of the holder before 16 February 2021. Exchangeable shares are subject to an escrow period of at least 12 months and no more than 24 months since the date of the acquisition of Zyber Secure Mobile Solutions Inc. During the financial year, 4,499,136 exchangeable shares were exchanged for Zyber Holdings Limited shares.

(b) Options Reserve	Number	\$	Weighted Average Exercise Price (\$)
Options outstanding as at 1 July 2016	40,089,062	-	0.04
Add options issued during the financial year:			
Options issued for Entitlement Offer on 10 October 2016	106,801,759	-	0.012
Options issued to the underwriter for its services in relation to the Entitlement Offer on 10 October 2016	106,801,802	381,555	0.012
Options issued as per Placement on 9 December 2016	50,000,000	500	0.012
Options outstanding as at 30 June 2017	<u>303,692,623</u>	<u>382,055</u>	<u>0.016</u>
Options outstanding as at 1 July 2017	303,692,623	382,055	0.016
Add options issued during the financial year:	-	-	-
Options outstanding as at 30 June 2018	<u>303,692,623</u>	<u>382,055</u>	<u>0.016</u>

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES**

(c) Foreign Currency Reserve	Consolidated 2018	2017
	\$	\$
Foreign currency translation reserve	184,784	181,935
Movement in reserve	11,277	2,849
	196,061	184,784

NOTE 13 CAPITAL AND OTHER COMMITMENTS

There are no capital or other commitments at the reporting date (2017: Nil).

NOTE 14 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

There are no contingent assets at reporting date (2017: Nil).

Contingent Liabilities

There are no contingent liabilities at reporting date (2017: Nil).

NOTE 15 OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the year, the company considers that it has only operated in one segment, being the development and sale of computer hardware, software and services of secure file synchronisation and sharing solution in Canada.

The consolidated entity is domiciled in Australia.

NOTE 16 EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods

NOTE 17 CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The financial year end of the controlled entities is the same as that of the parent entity, being 30 June.

	Country of Incorporation	Percentage Owned (%)	
		30 June 2018	30 June 2017
Parent entity			
Zyber Holdings Limited	Australia		
Name of controlled entity			
Zyber Secure Mobile Solutions Inc	Canada	100	100
1050494 B.C. Ltd	Canada	100	100