

**DOCLOCKER WORLDWIDE LIMITED**  
**ABN: 79 123 148 443**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2011**

**CORPORATE INFORMATION**

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**CORPORATE INFORMATION**

<b>Date and place of incorporation:</b>	The Company was incorporated on 15 December 2006 as a proprietary company in Sydney. Pursuant to a resolution of shareholders on 4 August 2009 the Company was converted to a public company. DocLocker Worldwide listed on the National Stock Exchange of Australia on the 18 <sup>th</sup> June 2010.
<b>Directors:</b>	Mr Robert Lawrence Barraket (Chairman) Mr Ian Buddery Mr Paul Anthony Nankervis Mr Gregory West
<b>Company Secretary:</b>	WA Camphin
<b>Registered Office:</b>	c/- Duncan Dovico Chartered Accountants Level 12, 90 Arthur Street North Sydney NSW 2060
<b>Independent Accountant:</b>	James Llewelyn Roberts 19 Barina Road Lane Cove NSW 2066
<b>Auditors:</b>	James Llewelyn Roberts 19 Barina Road Lane Cove NSW 2066
<b>Share Registry:</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Tel: 08 9315 2333 Email: Registrar@securitytransfers.com.au
<b>Stock exchange listings:</b>	DocLocker Worldwide Limited shares are listed on National Stock Exchange of Australia. NSXA Code: DWL (ordinary shares)
<b>Website address:</b>	<a href="http://www.docLocker.com">www.docLocker.com</a>
<b>Annual general meeting:</b>	The annual general meeting of DocLocker Worldwide Limited will be held at 90 Arthur Street North Sydney TBA in Sydney.

**CHIEF EXECUTIVE OFFICERS REPORT**

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**CHIEF EXECUTIVE OFFICERS REPORT**

Following the Company's successful engagement with 3 state government departments and various SME's in 2011, the industry and market changed dramatically. Enterprise solutions have been superseded by consumer solutions that are used remotely, with and within the enterprise. This dramatic change in the market has been driven by the rapid take up of mobile technologies such as smart phones and tablets by individuals and the fact that most workers are mobile and have better technology at home than the office. This market change requires remote storage of data in the cloud that can be accessed from any mobile device from anywhere.

DocLocker's technology platform is well placed to take advantage of this exciting global movement and we have re skinned website sales pages and are presently implementing marketing and sales changes to take advantage of global demand for our service.

We will continue to engage with a wide range of sales opportunities, both in Australia and internationally. We are encouraged by the interest shown by potential clients and the breadth of application for Doclocker across different industries and market sectors but our focus is the immediate opportunity, the larger global consumer market.

Our objective is to focus on global sales in new growth markets and new regions in the coming year. At this early stage, it is not possible to forecast revenue for the 2012 financial year.

The principal risk factor continues to be the speculative nature of a new and innovative software product, which may or may not achieve commercial viability in the timeframe we envisage.



**Greg West**  
**30 September, 2011**

**DIRECTOR'S REPORT**

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**DIRECTOR'S REPORT**

The directors of DocLocker Worldwide Limited (DocLocker) present their report made in accordance with a resolution of the directors with respect to the results and the state of affairs for the year ended 30 June 2011.

The directors of DocLocker at any time during or since the end of the financial period are:

<b>Director</b>	<b>Appointment</b>
Robert Lawrence Barraket	15/07/2006
Ian Buddery	21/07/2010
Paul Nankervis	15/07/2006
Gregory West	20/11/2009
William Anthony Camphin (Company Secretary)	04/02/2010

**Information on Directors**

***Chairman***

**Mr Robert Lawrence Barraket** Age: 66

Robert has over 30 years experience involving the establishment of legal firms, a number of venture capital corporations and companies engaged in the fields of biotechnology, electronic payments and computing. He founded law firm Barraket Kemp Strang, and has also been involved as a consultant to and director of a number of mining exploration companies with exploration interests in Australia, Africa, Mexico and Indonesia.

Robert is founder and President of Legal Ease Lawyers and Australian Estate Planning, which specialise in the provision of innovative estate and succession planning solutions and asset protection strategies for high net worth individuals and SMEs. It is here that Robert discovered the need to secure and share highly sensitive documents easily whilst protecting each client's confidentiality.

Robert graduated from University of Sydney (Australia) with a Bachelor of Laws degree.

**Ian Buddery**

**Chief Executive Officer, Director**

Ian is a high achieving entrepreneur with extensive public company experience and a solid business background in technology, in the telecommunications and financial services industries, in international markets. Ian has founded multiple companies, performed two IPOs and achieved six successful acquisitions.

Ian founded eServ Limited in 1991 and grew business to dominant position in its market. He obtained VC investment in 1998, executed four acquisitions in 1999/2000 and achieved a successful stock market listing for the company in 2000. He co-founded M2Wealth Pty Ltd in 2001, launching operations in Switzerland and UK which today serve 15 banks and over 2000 private client advisors. He rejoined eServ Global in 2003, listing the company on London Stock Exchange AIM market in 2004. He led the acquisitions of Ferma SA in 2005 and Empower in 2006.

Ian is a software engineer by training, with an early background in the resources, telecoms and defence/aerospace industries.

**DIRECTOR'S REPORT**

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**Paul Nankervis**  
**Director**

Paul has over 30 years experience in senior executive roles in publicly listed companies, including Rheem Australia. More recently he has been involved in broadcast media, current affairs television, FM radio and publishing as a proprietor. Paul also founded and developed the largest global hotel guest amenities supply company, serving luxury chains in 90 countries worldwide.

During his partnership with Robert Barraket in succession and estate planning, Paul helped conceptualise and develop the business plan to launch DocLocker. In 2007 he was the commencing Managing Director of DocLocker until 2010.

**Gregory West**  
**Director**

Greg has over 20 years experience making IT solutions meet real world needs, specialising in customer relationship management (CRM) systems and large membership management software.

During his time as CIO at the Australian Rugby Union he was integral in the delivery of the "Rugby World Cup 2003", directly responsible for the Customer Relationship Management System, Content Management System and ticketing projects.

Prior to joining the DocLocker board of directors Greg started and managed First Sports Asia Pacific, successfully selling and implementing sports CRM systems locally and internationally. First Sports clients include the Football Federation Australia (FFA) and Hyundai A-League, Rugby Football Union (RFU), Football Federation (FA) and Irish Football Federation (IFA).

Greg's experience in seeing new online solutions from concept through to delivery of sales and implementation makes him a valuable member of the management team and the DocLocker Board.

Greg graduated from University of Technology, Sydney (Australia) with a Bachelor of Business.

**Principal Activity**

The Company's principal activity during the course of the year ended 30 June 2011 were development, sales and marketing of the DocLocker secure document and file cloud technology.

**Review of Operations**

This report is to be read in conjunction with other reports issued contemporaneously.

The Group achieved sales revenue for the year ended 30 June 2011 of \$16,325. (2010: \$1,885)

A loss of \$603,312 was recorded by the Company for the year ended 30 June 2011 (2010: \$506,092).

*Review of financial conditions:*

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from funds invested, the Company may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its growth plans.

**DIRECTOR'S REPORT**

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*Economic Risk:*

The Company, in common with other companies, is affected by general economic conditions including the level of interest rates, exchange rates, employment rates, commodity demand and prices including freight rates and insurances, state and federal government levels of spending on infrastructure, global inflation and spending by clients on capital and maintenance works. Any changes in government fiscal, monetary and regulatory policies may also affect the Company's business.

**Changes in State of Affairs**

During the financial year there was no significant change in the state of the Company other than that referred to in this report or in financial statements or in the accompanying notes.

**Future Developments**

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

**Dividend**

No Dividends were paid to members during the financial year.

**Environmental Issues**

The company's operations are not subject to any significant environment regulation under law of the commonwealth or of a state or territory.

**Insurance and Indemnities for officers and Auditors**

During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

**Meetings of directors**

The number of meetings of the Board of directors held during the year ended 30 June 2011 and the number of meetings attended by each director was:

Director	Date Appointed	Resigned	Board Meetings	
			A	B
Robert Lawrence Barraket	15/07/2006		10	10
Paul Anthony Nankervis	15/07/2006		10	10
Gregory West	20/11/2009		10	10
Ian James Buddery	21/07/2010	16/12/2010	3	5
William Anthony Camphin	04/02/2010		10	10

**A** – Number of meetings attended

**B** – Number of meetings eligible to attend

## DIRECTOR'S REPORT

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### Directors' Loans

Set out in the accounts and below are details of loan advances made by the Directors of the Company to the Company or companies controlled by them.

Robert L Barraket	\$ 36,000
Legal Ease Lawyers Pty Ltd	Nil
Australian Estate Planning Pty Ltd	Nil
Damilblue Pty Limited	\$100,000
	<b>\$136,000</b>

Both Australian Estate Planning Pty Ltd and Legal Ease Lawyers Pty Ltd are controlled by Mr Barraket.

Paul Anthony Nankervis	Nil
Private Label Concepts Pty Ltd	Nil
Pantex Trade Consultants Pty Ltd	Nil
	Nil

Both Private Label Concepts Pty Ltd and Pantex Trade Consultants Pty Ltd are controlled by Mr Nankervis.

### Directors and Executive Disclosures<sup>33</sup>

#### Directors Consulting Fees ( inc GST)

Private Label Concepts Pty Ltd	Nil
Robert Barraket	Nil
Australian Estate Planning	Nil
Legal Ease Lawyers Pty Ltd	Nil

### Options on Issue at the date of this report

There are currently 865,000 options issued entitling the holders thereof to acquire Shares in the Company at \$0.50 per share.

Number of Options	Exercise Date
200,000	31 May 2012
500,000	11 November 2012
165,000	27 January 2013
<b>Total shares under option</b>	<b>865,000</b>

### Proceedings against the company

There are no proceedings against the company or with respect to persons applying for leave under s.237 to bring, or intervene in, proceedings on behalf of the company.

### Matters subsequent to the end of the financial year

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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 years.

**DIRECTOR'S REPORT**

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**Remuneration Report (Audited)**

**Directors' Shareholdings**

**RL Barraket**

Direct Holding	56,424
Damilblue Pty Ltd (Indirectly)	2,302,601
Total	2,359,025

**PA Nankervis**

Direct Holding	2,160,004
Pantex Trade Consultants Pty Ltd (Indirectly)	224,728
Total	2,384,732

**G West**

Direct Holding	300,000
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Each of the directors have given a general notice in accordance with the Corporations Act 2001 stating that he is a director, officer and/or member of certain specified organisations.



**DIRECTOR'S REPORT**

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**Remuneration of Directors and Senior Management**

Director	Short term benefits			Post employment Benefits	Share Based Payment Options & Rights	Total
	Salary & Fees	Bonus	Other	Superannuation		
Paul Nankervis	\$ 8,333	-	-	\$ 750	-	\$ 9,083
Robert Barraket	-	-	-	-	-	-
Greg West	\$197,917	-	-	\$17,813	-	\$215,730
Ian Buddery (m4SOFT Pty Ltd)	\$ 55,000	-	-	-	-	\$ 55,000

**Options Granted to Directors and company Officers**

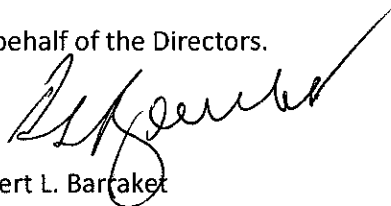
No directors or their associates hold any options.

**Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

This directors' report has been made and signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors.



Robert L. Barraket  
Director

Dated: 30<sup>th</sup> September 2011

**CORPORATE GOVERNANCE STATEMENT**

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**CORPORATE GOVERNANCE STATEMENT**

**Introduction**

The directors of DocLocker Worldwide Limited (DocLocker) consider that high standards of corporate governance are critical to business integrity and performance. The board ensures that DocLocker meets the objectives of all its shareholders, while paying proper regard to the interests of employees and external stakeholders. The corporate governance structures and practices in place at DocLocker are substantially in compliance with the second edition of the Corporate Governance Principles and Recommendations (the Principles) developed by the Australian Securities Exchange (ASX) Corporate Governance Council (the Council).

The board has considered the Council's Principles and DocLocker does not comply with the following recommendations:

- Recommendations 2.1 and 2.2 – a majority of the board are not independent directors, nor does DocLocker have an independent chairman;
- Recommendation 2.4 – the board has not established a Nomination committee; and
- Recommendation 8.1 – the board has not established a Remuneration committee.

The corporate governance section of the website sets out the further information required by the Council's Principles at [www.doclocker.com](http://www.doclocker.com).

**Board responsibilities and charter**

The board at all times recognises its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of DocLocker's shareholders, employees and the community. The board charter underpins the strategic guidance and effective management oversight provided by the board and defines the division of responsibility between the board and management by formal delegation and a system of board reserved powers.

The board reviews the charter on an annual basis and a copy is available on DocLocker's website at [www.doclocker.com](http://www.doclocker.com).

The board approves strategy and business plans and monitors the performance of DocLocker against these plans. The directors also monitor compliance with policies prescribed by the board in areas such as health and safety, environment, business ethics, internal control and risk management. These policies are designed to ensure that DocLocker meets or exceeds the regulatory requirements governing its operations.

**Board composition**

At the date of this report, the board of DocLocker consists of four directors, including the chief executive officer, chairman, one executive director and one non executive director.

The chairman is Mr Barraket who is a non-executive director. One non-executive director, Mr Nankervis, was previously chief executive officer, and the two executive directors are Ian Buddery and Greg West (CEO).

Details of the directors, their experience, qualifications and other appointments are set out on pages 5 to 6.

Qualification for board membership is related to the mix of skills and knowledge that the board considers will best serve the interests of DocLocker and all of its shareholders. Decisions relating to the appointment of directors are made by the board. There is no share ownership qualification for appointment as a director.

**CORPORATE GOVERNANCE STATEMENT**

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The board has not established a Nomination committee. The board recognises that this is not in compliance with recommendation 2.4 of the Council's Principles. The board considers that its existing practices in reviewing director competencies, board succession planning, board performance evaluation and director selection and nomination, carried out in accordance with the board charter, are satisfactory and appropriate given the size of the board and DocLockers current ownership structure.

**Independence**

There are no independent directors.

For the purposes of determining director independence, the board considers any material business relationship which could interfere, or be perceived to interfere, with the director's independence of judgment, ability to provide a strong, valuable contribution to the board's deliberations and the director's ability to act in the best interests of DocLocker and all shareholders. Where contracts in the ordinary course of business exist between DocLocker and a company in which a director has declared an interest, these are reviewed for materiality to both DocLocker and the other party to the contract.

The board does not consist of a majority of independent directors. This is not in compliance with recommendation 2.1 of the Council's Principles. The board considers it appropriate that directors associated with the majority shareholder constitute a majority of the board. The directors are required to, and do, act in accordance with their statutory duties of good faith and for a proper purpose.

All related party transactions, have been determined to be in the interests of the company.

**Chairman and Chief Executive Officer**

The chairman, Mr Barraket, is also a major shareholder of DocLocker. While this is not in compliance with recommendation 2.2 of the Council's Principles, the board considers that Mr Barraket's shareholding warrants this position.

Mr West (an executive of DocLocker) holds the position of chief executive officer. This is consistent with recommendation 2.3 of the Council's Principles that the chief executive officer / managing director and chairman be different people.

**Board meetings**

The Board held 8 scheduled meetings during 2010/2010 and two unscheduled meeting at short notice. The board meeting attendance details for directors in 2010/2010 are set out on page 7.

**Performance self-assessment**

The board conducts annual performance evaluations of itself and its committees' effectiveness and that of individual directors. Annual performance evaluations include:

- setting goals and objectives of the board for the upcoming year; and
- consideration of any improvements or changes to the board charter deemed necessary or desirable.

The process of evaluation and self assessment took the form of a questionnaire completed by each of the directors. The results of the self assessment process are collated and presented to the board. The board considers the results, along with the adequacy and appropriateness of the self assessment process and agrees any actions arising out of the process.

**CORPORATE GOVERNANCE STATEMENT**

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**Independent professional advice**

Directors may seek independent professional advice, both individually and collectively, at DocLockers expense. Directors are required to give prior notice to the chairman of their intention to seek independent professional advice and provide the names of any professional advisers they propose to instruct together with a brief summary of the subject matter. Any advice obtained by a director must be made available to the other directors.

**Code of conduct**

DocLocker has a code of conduct that must be adhered to by all directors and employees. All employees are required to maintain high standards of ethical behaviour in the execution of their duties and comply with all applicable laws and regulations in Australia and in every other country in which DocLocker engages in business. The code of conduct is reviewed regularly to ensure it adequately addresses the issues facing DocLocker and is available for inspection on the corporate governance section of DocLocker's website at [www.doclocker.com](http://www.doclocker.com).

**Conflicts of interest**

The board has a procedure in place for the disclosure and resolution of any matters that may give rise to actual or potential conflicts involving directors.

**Purchase and sale of company securities**

DocLocker has a formal share trading policy that reinforces to all directors, officers and employees the prohibition against insider trading. The policy is available for inspection at the corporate governance section of DocLockers website at [www.doclocker.com](http://www.doclocker.com).

Under the DocLocker share trading policy:

- directors and senior managers must advise the chairman if they intend to purchase securities in the company or any other company with which DocLocker is conducting material business. In regard to his own dealings, the chairman is required to notify the board; and
- no dealings in securities of the company may take place during the period 60 days immediately preceding the announcement of the company's annual results or half year results or if shorter, the period from the end of the relevant financial period up to and including the trading day following the announcement.

A copy of these rules can be viewed in the corporate governance section of DocLocker website at [www.doclocker.com](http://www.doclocker.com).

**Particulars of directors' interests in shares and options**

The particulars of the directors' interests including beneficial interests in share and options as at the date of the directors' report have been disclosed in the Remuneration Report contained within the Director's Report.

**DOCLOCKER WORLDWIDE LIMITED**  
**30 JUNE 2011****DIRECTOR'S DECLARATION**


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**DIRECTOR'S DECLARATION**

The Directors of the Company declare that:

1. The Financial Statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes to the Financial Statements are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
4. The remuneration disclosures, included on page 9 of the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2011 comply with section 300A of the *Corporations Act 2001*.
5. The Directors have been given the declarations by the chief executive officer and the person performing the chief financial officer function required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

Sydney, 30 September 2011

**AUDITORS INDEPENDENCE DECLARATION**

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In accordance with section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DocLocker Worldwide Limited and its controlled entities during the period.

**J.L. Roberts**



Jim Roberts

Sydney, 30 September 2011

**DOCLOCKER WORLDWIDE LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Notes</b>	<b>2011 \$</b>	<b>2010 \$</b>
<b>Revenue</b>	3(a)3(b)	99,133	1,885
<b>Expenses</b>			
Marketing expenses	3(c)	25,465	97,500
Finance costs	3(d)	17,592	34,758
Salary and wages	3(e)	322,004	449,862
Professional fees	3(f)	145,006	107,546
Server costs	3(g)	81,358	70,559
Occupancy costs	3(h)	2,000	43,364
Other expenses		109,020	84,089
<b>Profit /(loss) before income tax</b>		(603,312)	(885,793)
Income tax (expense)/credit	4	-	379,701
<b>Profit/(loss) for the year</b>		(603,312)	(506,092)
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Other comprehensive revenue, net of income tax</b>		-	-
<b>Total comprehensive income attributable to members of DocLocker Worldwide Ltd</b>		(603,312)	(506,092)

The above statement of comprehensive income should be read in conjunction with the accompany notes.

**DOCLOCKER WORLDWIDE LIMITED****STATEMENT OF FINANCIAL POSITION  
As At 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	35,466	714,590
Trade and other receivables	6	19,785	14,975
Inventory	7	7,568	11,000
Other	8	2,357	11,010
<b>TOTAL CURRENT ASSETS</b>		<b>65,176</b>	<b>751,575</b>
<b>NON-CURRENT ASSETS</b>			
Deferred tax asset	4	380,982	380,982
Intangibles	10	106,219	106,219
Property, plant and equipment	9	80,989	30,534
<b>TOTAL NON-CURRENT ASSETS</b>		<b>568,190</b>	<b>517,735</b>
<b>TOTAL ASSETS</b>		<b>633,366</b>	<b>1,269,310</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	83,507	90,165
Provisions	12	23,478	20,592
Overdraft	5	65,751	218,450
<b>TOTAL CURRENT LIABILITIES</b>		<b>172,736</b>	<b>329,207</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	163,890	470,753
Deferred tax liability	4	1,281	1,281
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>165,171</b>	<b>472,034</b>
<b>TOTAL LIABILITIES</b>		<b>337,907</b>	<b>801,242</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>295,459</b>	<b>468,069</b>
<b>EQUITY</b>			
Issued capital	15	2,432,504	2,001,801
Accumulated losses	15	(2,137,045)	(1,533,732)
<b>TOTAL EQUITY</b>		<b>295,459</b>	<b>468,069</b>

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



**DOCLOCKER WORLDWIDE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers		87,550	-
Payments to suppliers and employees		(627,070)	(857,603)
Interest and other costs of finance paid		(17,592)	-
Interest received		6,772	1,885
<b>Net cash outflows from operating activities</b>	5	<u>(550,340)</u>	<u>(855,718)</u>
<b>Cash Flows From Investing Activities</b>			
Payments for intangible assets	10	-	(12,626)
Purchase of property, plant and equipment	9	(99,925)	(29,435)
<b>Net cash outflows from investing activities</b>		<u>(99,925)</u>	<u>(42,062)</u>
<b>Cash Flows From Financing Activities</b>			
IPO transaction costs		(9,213)	(21,350)
Proceeds from borrowings		-	144,327
Repayment of borrowings		(342,863)	-
Proceeds from issue of shares		475,917	1,342,601
<b>Net cash inflows from financing activities</b>		<u>123,841</u>	<u>1,465,578</u>
Net increase/(decrease) in cash and cash equivalents		(526,424)	567,798
Cash and cash equivalents at beginning of period		496,140	(71,658)
<b>Cash and cash equivalents at end of period</b>	5	<u>(30,284)</u>	<u>496,140</u>

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

**DocLocker Worldwide Limited**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011**

	Ordinary Shares \$	Reserves \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2009</b>	<b>680,550</b>	-	<b>(1,027,640)</b>	<b>(347,090)</b>
<b>Total comprehensive income for the year</b>	-	-	(506,092)	(506,092)
<b>Transactions with owners in their capacity as owners:</b>				
Employee share options – value of employee services	-	-	-	-
Contributions of equity	1,342,601	-	-	1,342,601
Capital brokerage fees	(21,350)	-	-	(21,350)
	1,321,251	-	-	1,321,251
<b>Balance at 30 June 2010</b>	<b>2,001,801</b>	-	<b>(1,533,732)</b>	<b>468,069</b>
<b>Total comprehensive income for the year</b>	-	-	(603,313)	(603,313)
<b>Transactions with owners in their capacity as owners:</b>				
Employee share options – value of employee services	-	-	-	-
Contributions of equity	475,916	-	-	475,916
Capital brokerage fees	(9,213)	-	-	(9,213)
	466,703	-	-	466,703
<b>Balance at 30 June 2011</b>	<b>2,468,504</b>	-	<b>(2,137,045)</b>	<b>331,459</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**NOTES TO THE FINANCIAL STATEMENTS**

**1 CORPORATE INFORMATION**

The financial report of DocLocker Worldwide Limited (the Company) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Company on 30 September 2011. The Company is a public Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the National Stock Exchange of Australia (NSX).

The Company's principal activity during the course of the year ended 30 June 2011 were development, sales and marketing of the DocLocker secure document and file cloud technology.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

*Compliance with IFRS*

The financial statements of DocLocker Worldwide Limited also comply with International Financial Reporting Standards (FRS) as issued by the International Accounting Standards Board (IASB).

*Historical cost convention*

These financial statements have been prepared under the historical cost convention.

***Critical accounting judgements estimates***

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

*Financial statement presentation*

The Company has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2010. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the company had to change the presentation of financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

**(b) Foreign currency translation**

**(i) Functional and presentation currency**

The financial statements of the Company are presented in Australian Dollars, which is DocLocker Worldwide Limited's functional and presentation currency.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(ii) Transactions and balances**

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

**(c) Going concern**

The company incurred a net loss for the year of \$603,312. The company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform with cash flow projections and continuing availability of funds required to sustain operations and market the product. The company expects to fund ongoing obligations through future capital raisings and reducing overhead costs should this be required.

The Directors have determined that the going concern assumption is appropriate for the preparation of the financial statements.

**(d) Summary of significant accounting policies**

**(i) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are not of rebates or amounts collected on behalf of third parties.

The Company 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 by each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

*Interest Income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(ii) Income tax**

The income tax expense or revenue from the period is the tax payable on the current 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 and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balance relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(iii) Leases**

Leases where the company, 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 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 balance sheet based on their nature.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(iv) 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 to sell 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 impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(v) 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 balance sheet.

**(vi) Trade 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(vii) Property, plant & equipment**

All other 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.

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 company 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.

Depreciation on assets is calculated using the straight-line method to allocate their cost or re valued amounts, net of their residual values, over their estimated useful lives. Depreciation rates on major categories of property, plant and equipment are as follows:

- |   |         |
|---|---------|
| - furniture and fittings                | 8 years |
| - office and general computer equipment | 4 years |

Depreciation expense is classified within research and developments and general administration costs based on the nature and use of the asset being depreciated.

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.

**(viii) Intangible assets**

*Research and development*

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

*IT development and software*

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(ix) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. These amounts are unsecured.

**(x) Provisions**

Provisions for legal claims 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.

**(xi) Employee benefits**

*Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave are expected to be settled 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 liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*Long term obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and 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. Consideration is given to 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.

*Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**(xii) 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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(xiii) Goods and services tax**

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 balance sheet.

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.

**(xiv) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(xv) Borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(xvi) Losses per share

Basic loss per share

Basic loss per share is calculated by dividing: the profit attributable to equity holders 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.

Diluted loss per share

Diluted loss 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.

(xvii) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(xviii) New accounting standards and interpretations

*AASB 8 Operating Segments* – AASB 8 replaced AASB 14 *Segment Reporting* upon its effective date. The Company concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114.

*AASB 101 Presentation of Financial Statements* – The revised standard separates owner and non-owner changes in equity. The consolidated statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement or in two linked statements. The Group has elected to present one single statement.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2010:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
  - the objective of the entity's business model for managing the financial assets; and the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

- AASB 2009–5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

- AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1,3,4,5,7,101,102,108,112,118,121,127,128,131,132,136,139,1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).  
The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:
  - Two categories for financial assets being amortised cost or fair value;
  - Removal of the requirement to separate embedded derivatives in financial assets; and
  - Strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if :
    - the contractual cash flows from the instrument represent principal and interest and
    - The entity's purpose for holding the instrument is to collect the contractual cash flows
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).  
This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.
- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).  
This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Group.
- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).  
This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

		2011 \$	2010 \$
<b>3</b>	<b>REVENUE AND EXPENSES</b>		
	<i>Revenue and Expenses from continuing operations</i>		
<b>(a)</b>	<b>Revenue</b>		
	Sales Revenue	16,325	-
<b>(b)</b>	<b>Other Income</b>		
	Finance revenue (interest income)	6,772	1,885
	R&D Tax Offset	76,020	-
	Foreign Exchange Gain	16	-
	<b>Total Revenue</b>	<b>99,133</b>	<b>1,885</b>
<b>(c)</b>	<b>Marketing expenses</b>		
	Advertising	25,465	97,500
	<b>Total marketing expenses</b>	<b>25,465</b>	<b>97,500</b>
<b>(d)</b>	<b>Finance costs</b>		
	Borrowing costs	812	972
	Interest paid	16,780	33,786
	<b>Total finance costs</b>	<b>17,592</b>	<b>34,758</b>
<b>(e)</b>	<b>Salary and wages expense</b>		
	Wages and salaries	295,417	391,847
	Superannuation	26,587	58,015
	<b>Total salary and wages expense</b>	<b>322,004</b>	<b>449,862</b>
<b>(f)</b>	<b>Professional fees</b>		
	Accountancy fees	33,376	19,367
	Consultant fees	111,630	88,179
	<b>Total professional fees</b>	<b>145,006</b>	<b>107,546</b>
<b>(g)</b>	<b>Server costs</b>		
	Hosting hardware/server costs	81,358	70,559
	<b>Total server costs</b>	<b>81,358</b>	<b>70,559</b>
<b>(h)</b>	<b>Occupancy costs</b>		
	Rent	2,000	43,364
	<b>Total occupancy costs</b>	<b>2,000</b>	<b>43,364</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>4 INCOME TAX</b>		
Income tax credit/(expense) reporting in the statement of comprehensive income	-	379,701
<b>(a) Statement of comprehensive income</b>		
<u>Current income tax</u>		
Current income tax credit/(expense)	-	-
Adjustments in respect of current income tax of previous years	-	-
<u>Deferred income tax</u>		
Relating to origination and reversal of temporary differences	-	379,701
Temporary differences not recognised as an asset	-	-
Income tax credit/(expense) reported in the statement of comprehensive income	-	379,701
<b>Statement of recognised income and expense</b>		
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax:		
Accounting loss before income tax	(603,312)	(885,793)
At the Company's income tax rate of 30% - tax credit/(expense)	180,994	265,738
<i>Increase in tax expense due to;</i>		
Non-deductible expenses	-	615
	180,994	265,123
<i>Decrease in tax expense due to;</i>		
Research and development tax rebate	22,806	-
Deferred tax	-	-
Current year tax losses not brought to account	(203,800)	(265,123)
Temporary timing differences	-	379,701
	-	379,701
<b>Unrecognised deferred tax assets</b>		
The following deferred tax assets have not been brought to account as assets:		
Tax losses – revenue	1,925,382	1,240,957

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**4 INCOME TAX (Cont'd)**

The total tax losses include previous years-to-date.

The deferred tax assets related to losses will only be obtained if:

1. The company derives future assessable income of a nature or amount sufficient to enable the benefits from the deductions for the losses to be utilised;
2. The company continues to comply with the conditions of deductibility imposed by tax legislation; and
3. No changes in tax legislation adversely affect the company in realising the benefits from the deductions for the losses.

The deductible temporary differences and tax losses do not expire under current tax legislation. The Company has decided to recognise deductible temporary timing differences in the current financial year as it believes it is a reasonable that these differences will be recouped in the future.

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>5 CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	35,466	714,590
Overdraft	(65,751)	(218,450)
	<u>(30,285)</u>	<u>496,140</u>

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

**Reconciliation to Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following as at 30 June 2011:

Cash at bank and in hand	35,466	714,590
Overdraft	(65,751)	(218,450)
	<u>(30,285)</u>	<u>496,140</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>5 CASH AND CASH EQUIVALENTS (Cont'd)</b>		
<b>Reconciliation of net profit after tax to net cash flows from operations</b>		
Net profit	(603,312)	(506,092)
<i>Adjustments for:</i>		
Depreciation/ Amortisation	49,470	5,890
Employee benefits expense	2,886	20,592
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in R&D tax offset	-	-
(Increase)/decrease in prepayments and other receivables	8,653	(2,661)
(Increase)/decrease in trade receivables	(4,811)	(9,181)
(Increase)/decrease in deferred tax assets	-	(380,982)
(Increase)/decrease in inventories	3,432	-
Increase/(decrease) in trade creditors	(6,658)	1,297
Increase/(decrease) in other creditors and accruals	-	14,138
Increase/(decrease) in deferred tax liabilities	-	1,281
Net cash from operating activities	<u>(550,340)</u>	<u>(855,718)</u>
<b>6 TRADE AND OTHER RECEIVABLES</b>		
Trade Debtors	11,890	-
Sundry debtors	1,500	664
GST receivable	6,395	14,311
	<u>19,785</u>	<u>14,975</u>
<b>7 INVENTORY</b>		
Security token	7,568	11,000
	<u>7,568</u>	<u>11,000</u>
<b>8 OTHER ASSETS (CURRENT)</b>		
Prepayments	2,357	11,010
	<u>2,357</u>	<u>11,010</u>



**DOCLOCKER WORLDWIDE LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**9 PROPERTY, PLANT AND EQUIPMENT**

	Office Equipment	Furniture and Fittings	Total Property Plant & Equipment
<b>Year ended 30 June 2010</b>			
<b>At 30 June 2010</b>			
Cost of fair value	39,604	1,999	41,603
Accumulated depreciation	(10,863)	(206)	(11,069)
Net carrying amount	<u>28,741</u>	<u>1,793</u>	<u>30,534</u>
<b>Year ended 30 June 2011</b>			
<b>At 1 July 2010</b>			
Net of accumulated depreciation	99,925	-	99,925
Additions			
Depreciation charge for the year	(49,291)	(179)	(49,470)
At 30 June 2011, net of accumulated depreciation	<u>79,375</u>	<u>1,614</u>	<u>80,989</u>
<b>At 30 June 2011</b>			
Cost of fair value	139,529	1,999	141,528
Accumulated depreciation	(60,154)	(385)	(60,539)
Net carrying amount	<u>79,375</u>	<u>1,614</u>	<u>80,989</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

10 INTANGIBLES

	Formation Expenses	Patents and Trademarks	Intellectual Property Development Costs	Total Intangibles
<b>Year ended 30 June 2010</b>				
<b>At 1 July 2009</b>				
Net carrying amount	700	21,483	71,409	93,592
Additions	-	12,627	-	12,627
Accumulated amortisation	-	-	-	-
Impairment	-	-	-	-
Net carrying amount	700	34,110	71,409	106,219
<b>Year ended 30 June 2010</b>				
<b>At 1 July 2010</b>				
Net carrying amount	700	34,110	71,409	106,219
Additions	-	-	-	-
Amortisation charge for the year	-	-	-	-
Impairment	-	-	-	-
At 30 June 2011	700	34,110	71,409	106,219
<b>At 30 June 2011</b>				
Cost of fair value	700	34,110	71,409	106,219
Accumulated depreciation	-	-	-	-
Impairment	-	-	-	-
Net carrying amount	700	34,110	71,409	106,219

2011  
\$

2010  
\$

11 TRADE AND OTHER PAYABLES

Trade payables	50,644	53,341
Credit card clearing	4,053	-
Accrued expenses	-	629
Sundry creditors	28,810	36,195
	83,507	90,165

**DOCLOCKER WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**12 PROVISIONS**

	<b>2011</b>		<b>2010</b>	
	<i>Current</i>	<i>Non Current</i>	<i>Current</i>	<i>Non Current</i>
Employee benefits	23,478	-	20,592	-
	<u>23,478</u>	<u>-</u>	<u>20,592</u>	<u>-</u>

**Movements in Provision**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Carrying amount at start of year	20,592	-	-	-
Increase/(decrease) during the year	2,886	-	20,592	-
Carrying amount at end of the year	<u>23,478</u>	<u>-</u>	<u>20,592</u>	<u>-</u>

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>13 BORROWINGS</b>		
Loans-Unsecured		
Director's Loan	(2,000)	-
Private Label Concepts Pty Limited	-	195,478
The Good Living Company Pty Limited	17,445	17,445
Delemarc Corporation Pty Limited	12,445	12,445
Damilblue Pty Limited	100,000	-
Robert Barraket	36,000	53,420
Pantex Trade Consultants Pty Ltd	-	41,665
Legal Ease Lawyers Pty Limited	-	57,306
Australian Estate Planning Pty Limited	-	92,994
	<u>163,890</u>	<u>470,753</u>

No company assets are held under charge or used as collateral against these loans.

# DOCLOCKER WORLDWIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

### 14 OPTIONS

The Company has issued options exercisable on or before the dates referred to in the table below.

The options were granted to several investors and are on the same terms and conditions. All shares exercised as a result of the exercise of any options rank equally with other shares then issued.

#### Options on Issue at the date of this report

There are currently 865,000 options issued entitling the holders thereof to acquire Shares in the Company at \$0.50 per share.

Number of Options	Exercise Date
200,000	31 May 2012
500,000	11 November 2012
165,000	27 January 2013
<b>Total shares under option</b>	<b>865,000</b>

	2011 \$	2010 \$
<b>15 CONTRIBUTED EQUITY AND RESERVES</b>		
Fully paid ordinary shares	2,432,504	2,001,801

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

<i>Movement in ordinary shares on issue</i>	No.	\$
At 1 July 2009	6,775,010	1,342,601
Issue of Ordinary Shares	1,750,100	(21,350)
At 30 June 2010	8,525,110	2,001,801
Issue of ordinary shares as a result of 1 for 1 rights issue	438,454	475,916
Equity raising costs	-	(9,213)
As at 30 June 2011	8,963,564	2,468,504

#### *Retained earnings*

Movements in retained earnings were as follows:

Balance, 1 July 2010	(1,533,732)	(1,027,640)
Comprehensive income for the year	(603,313)	(506,092)
Balance, 30 June 2011	(2,137,045)	(1,533,732)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**16 FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks: market risk, (including interest rate risk), credit risk, and liquidity risk.

The Company'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 company. Management is carried out by the Finance department under policies approved by the Board of Directors.

The Company held the following financial instruments:

	<u>2011</u>	<u>2010</u>
<b>Financial Assets</b>		
Cash and cash equivalents	35,466	714,590
Trade and Other receivables	19,785	14,975
	<u>55,251</u>	<u>729,565</u>
 <b>Financial Liabilities</b>		
Borrowings	127,890	470,753
Trade and other payables	83,507	90,166
Overdraft	65,751	218,450
Provisions	23,478	20,592
	<u>300,626</u>	<u>799,961</u>

**(a) Market Risk**

**(i) Interest Rate Risk**

The Company's main interest rate risk arose from cash equivalents with variable interest rates. At 30 June 2011, if the interest rate had changed by +/- 50 basis points from the year-end rates with all other variables held constant post tax profit would have been \$2,501 lower/higher (2009: change of 50 bps: \$2,501 lower/higher) as a result of lower interest income from these financial assets. For details on interest rate risk, refer to note (e)

**(b) Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations result in a financial loss to the company.

Credit risk can also arise from cash and cash equivalents. The maximum exposure to credit risk as at reporting date is illustrated in the table above. For banks, only independently rated banks and financial institutions are accepted, with a minimum rating of A. For receivables, the notional value is deemed to reflect the fair value, with the effect of discounting not being material.

At balance sheet date, there were no significant exposures to credit risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**16 FINANCIAL INSTRUMENTS (Cont'd)**

**(c) Liquidity Risk**

The ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's funding requirements. The Company manages liquidity by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. The company has no derivative financial liabilities at balance sheet date.

**(d) Fair Value of Financial Instruments**

The fair value of financial assets and liabilities with standard terms and conditions, and traded on active liquid markets are determined with references to quoted market prices. The fair value of receivables and payables are deemed to be their carrying values, less any impairment. The effect of discounting has been determined by the Directors as not being material.

**(e) Financial instrument composition and maturity analysis**

The Company's exposure to interest risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is as follows:

	Weighted Average Effective Interest Rate		Total	
	2011 %	2010 %	2011 \$	2010 \$
<b>Financial Assets – Interest Bearing</b>				
Cash at bank	3%	6%	34,468	714,239
<b>Financial Assets – Non-Interest Bearing</b>				
Petty Cash	-	-	998	351
Receivables	-	-	19,785	14,975
			20,783	15,326
<b>Total Financial Assets</b>			55,251	729,565

**DOCLOCKER WORLDWIDE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**16 FINANCIAL INSTRUMENTS (Cont'd)**

**Financial Liabilities – Interest Bearing**

Overdraft	10%	2.2%	65,751	218,450
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**Financial Liabilities – Not Liabie to Interest**

Borrowings	-	-	127,890	470,753
Trade and sundry payables	-	-	83,509	90,166
Provisions	-	-	23,478	20,592
			<u>234,877</u>	<u>581,511</u>

<b>Total Financial Liabilities</b>			<u>300,628</u>	<u>799,961</u>
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**17 COMMITMENTS AND CONTINGENCIES**

**Operating leases**

Operating leases related to office facilities with lease terms up to 24 months.

<u>Non cancellable operating lease commitments</u>	2011 \$	2010 \$
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>-</u>	<u>-</u>

## **DOCLOCKER WORLDWIDE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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#### **18 RELATED PARTY TRANSACTIONS**

##### **Directors' Loans**

Set out in the accounts and below are details of loan advances made by the Directors of the Company to the company or companies controlled by them.

Robert L Barraket	\$ 36,000
Legal Ease Lawyers Pty Ltd	Nil
Australian Estate Planning Pty Ltd	Nil
Damilblue Pty Limited	\$100,000
	\$136,000

(Both Australian Estate Planning Pty Ltd and Legal Ease Lawyers Pty Ltd are controlled by Mr Barraket.)

Paul Anthony Nankervis	Nil
Private Label Concepts Pty Ltd	Nil
Pantex Trade Consultants Pty Ltd	Nil
	Nil

Both Private Label Concepts Pty Ltd and Pantex Trade Consultants Pty Ltd are controlled by Mr Nankervis.

##### **Directors and Executive Disclosures**

##### **Directors Consulting Fees ( inc GST)**

Robert Barraket	Nil
Private Label Concepts Pty Limited	Nil
Legal Ease Lawyers Pty Ltd	Nil
Australian Estate Planning	Nil



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**19 EVENTS AFTER THE REPORTING PERIOD**

**Matters subsequent to the end of the financial year**

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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 years.

**20 AUDITORS' REMUNERATION**

	2011 \$	2010 \$
An audit or review of the financial report of the entity	1,405	2,000
Total remuneration to auditors	1,405	2,000

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

21 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Remuneration of Directors and Senior Management

Director	Short term benefits			Post employment Benefits Superannuation	Share Based Payment Options & Rights	Total
	Salary & Fees	Bonus	Other			
Paul Nankervis	\$ 8,333	-	-	\$ 750	-	\$ 9,083
Robert Barraket	-	-	-	-	-	-
Greg West	\$197,917	-	-	\$17,813	-	\$215,730
Ian Buddery (m4SOFT Pty Ltd)	\$ 55,000	-	-	-	-	\$ 55,000

Options Granted to Directors and company Officers

No directors or their associates hold any options.

22 EARNINGS PER SHARE

	2011 Cents	2010 Cents
Total basic earnings / (losses) per share attributable to the ordinary equity holders of the company	(6.73)	(7.39)
	2011 \$	2010 \$
Profit / (loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(603,312)	(506,092)
	2011 Number	2010 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings / (losses) per share	8,963,564	6,846,932

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

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**23 CONTINGENT ASSETS AND LIABILITIES**

There were no contingent liabilities and contingent assets not provided for in the financial statements of the consolidated entity as at 30 June 2011.

**24 SEGMENT REPORTING**

The company operates predominantly in one business segment being the distribution of file cloud technology. The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

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## **Independent Auditor's Report to the members of DocLocker Worldwide Limited**

### **Report on the Financial Report**

I have audited the accompanying financial report of DocLocker Worldwide Limited which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company for the financial year ended 30 June 2011.

### ***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretation) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on the financial report based on our audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

In conducting the audit, I have met the independence requirements of the *Corporations Act 2001*. I have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.

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### **Qualified Auditor's Opinion**

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial report been audited in the previous corresponding period ended 30 June 2010, the financial report of DocLocker Worldwide Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

- a) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

### **Inherent Uncertainty Regarding Going Concern**

Without qualification to the opinion expressed above, the company had net operating losses of \$603,312 (2010: net operating loss \$506,092) and net assets of \$295,459 (2010: net liability \$468,069) at 30 June 2011. Should measures taken by the Directors not result in a strengthening of the financial performance and financial position of the company, then uncertainty exists as to whether the consolidated entity can continue as a going concern, and whether it will realise its assets and distinguish its liabilities in the normal course of business at the values stated in this financial report.

### **Report on the Remuneration Report**

I have audited the Remuneration Report for the year ended 30 June 2011, included on page 9 of the directors' report. 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*. My responsibility is to express an opinion on the Remuneration Report, based on the audit conducted in accordance with Australian Auditing Standards.

### **Auditor's Opinion**

In my opinion the Remuneration Report of DocLocker Worldwide Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

**J.L. Roberts**



Jim Roberts

Sydney, 30 September 2011