

UPDATED PRO-FORMA BALANCE SHEET AS AT AS AT 31 DECEMBER 2018

(INCORPORATING ACTUAL FUNDS RAISED UNDER THE PROSPECTUS - \$5,912,494)

	Note	NAV 31 Dec 18 - Audit Reviewed	NAV Pro-forma Audit Reviewed Consolidated - 31 Dec 2018
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	3	526,857	1,580,649
Trade and other receivables	4	30,528	1,370,429
Other current assets	5		30,530
TOTAL CURRENT ASSETS		557,385	2,981,608
NON-CURRENT ASSETS			
Property, Plant & Equipment	6		37,456
Deferred Tax Assets	7		18,169
Goodwill & Identifiable Intangible Assets	8		6,003,400
TOTAL NON-CURRENT ASSETS		-	6,059,025
TOTAL ASSETS		557,385	9,040,633
CURRENT LIABILITIES			
Trade and other payables	9	63,985	517,569
Borrowings	10		58,868
Current Tax Liabilities	11		286,906
Provisions - Short Term	12		93,672
Deferred Consideration	13		500,000
TOTAL - CURRENT LIABILITIES		63,985	1,457,015
NON-CURRENT LIABILITIES			
Provisions - Long Term	14		12,363
TOTAL NON- CURRENT LIABILITIES		-	12,363
TOTAL LIABILITIES		63,985	1,469,378
NET ASSETS		493,400	7,571,255
EQUITY			
Issued Capital	15	115,267,665	122,938,000
Accumulated losses	16	(114,774,265)	(115,366,744)
TOTAL EQUITY		493,400	7,571,256

The above Statements should be read in conjunction with the accompanying Notes set out below

Actual and proposed transactions adjusting the 31 December 2018 audited consolidated condensed Statement of Financial position of NAV in the pro-forma consolidated Statement of Financial Position of NAV are as follows.

- a) the consolidation of capital on a 1 for 20 basis;
- b) the declaration of a dividend payable 'in-specie' by AF Legal of \$750,558 as contemplated by the Share Purchase Deed between NAV and AF Legal dated 13 December 2018;
- c) the repayment of a shareholder loan of \$714,445 following the 'in-specie' dividend in b) above as contemplated by the Share Purchase Deed between NAV and AF Legal dated 13 December 2018;
- d) the issue of 29,562,470 new shares raising the amount of \$5,912,494 from the capital raising at 20 cents each;
- e) the incurring of further capital raising costs of \$417,159 (net of GST), and the incurring of further accounting, legal and advisory costs (transaction Costs) of \$592,479 (net of GST). The amount of \$102,237 has been incurred in respect accounting, legal and advisory costs to 31 December 2018;
- f) the acquisition of all the shares in AF Legal Pty Ltd for a total target equity consideration of \$5,500,000 (capped to \$5,950,000 after purchase price adjustments). This is comprised of \$2,825,000 cash consideration at completion, contingent cash consideration at a deemed fair value of \$500,000, and the issue of 10,875,000 new shares (\$2,175,000 in value) in NAV as share consideration. Cash consideration at completion is also subject to a Purchase Price Adjustment mechanism based upon delivery of threshold levels of Net Working Capital and Net Debt in the completion Balance Sheet. The adjustment mechanism has been applied to the 31 December 2018 audited Balance Sheet of AF Legal resulting in total consideration on a pro-forma basis of \$5,950,000;
- g) the purchase of the Business Assets of Wall Bridges Lawyers for a total consideration of \$53,500;
- h) the repayment of the Westpac Overdraft and Business Loan amounting to \$1,148,035; and
- i) using IFRS 3, business combination principles, the recognition of goodwill of \$6,003,400 representing the difference between the net assets of AF Legal and the consideration in f) above of \$5,949,900 as well as the entire amount relating to the Walls acquisition in g) above of \$53,500. As IFRS 3 enables the Purchase Price Allocation to be undertaken on a provisional basis in the first year following the business combination, no attempt has been made to allocate the premium over net assets between Goodwill and Identifiable Intangible Assets.

	NAV 31 Dec 18 - Audit Reviewed	NAV Pro-forma Audit Reviewed Consolidated - 31 Dec 2018
	\$	\$
3. Cash and Cash Equivalents		
The movements in cash assets are as follows:		
Audit Reviewed 31 Dec 2018 - Cash at Bank	526,857	526,857
Repayment of Shareholder Loan c)		714,865
Issue of New Shares d)	-	5,912,494
Capital Raising & Transaction Costs e)	-	(1,102,373)
Cash Consideration for AF Legal f)	-	(3,275,000)
Cash Consideration for Walls Bridges g)		(53,500)
Repayment of Bank Debt h)		(1,148,037)
Cash of AF Legal 17	-	5,343
	<u>526,857</u>	<u>1,580,649</u>
4. Trade and Other Receivables		
Goods and services tax recoverable	16,374	16,374
Prepayments	14,154	14,154
Trade and Receivables of AF Legal 17	-	1,124,478
Work in Progress of AF Legal 17	-	215,423
GST Recoverable of AF Legal 17	-	-
Work in Progress of Walls Bridges g)		-
	<u>30,528</u>	<u>1,370,429</u>
5. Other Current Assets		
Other Current Assets of AF Legal 17		30,530
	<u>-</u>	<u>30,530</u>
6. Property Plant & Equipment		
Furniture & Fixtures of AF Legal 17		16,237
Computer Equipment of AF Legal 17		19,622
Low Value Pool Assets of AF Legal 17		1,597
	<u>-</u>	<u>37,456</u>
7. Deferred Tax Assets		
Deferred Tax Assets of AF Legal 17		18,169
	<u>-</u>	<u>18,169</u>

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		\$	\$
8 . Goodwill and Identifiable Intangible Assets			
Acquisition of AF Legal	f)		5,949,900
Acquisition of Walls Bridges Lawyers	g)		53,500
		<u>-</u>	<u>6,003,400</u>
9 . Trade and other payables			
Trade payables and accruals		63,985	63,985
Trade payables and accrual of AF Legal	17	-	546,318
GST Recoverable on Transaction and Capital Raising Costs	e)	-	(92,734)
		<u>63,985</u>	<u>517,569</u>
10 . Borrowings			
Bank Loan of AF Legal	17	-	1,048,547
Business Overdraft of AF Legal	17	-	99,490
Credit Card and Other Finance of AF Legal	17	-	58,868
Repayment of Bank Loan and Overdraft	h)		(1,148,037)
		<u>-</u>	<u>58,868</u>
11 . Current Tax Liabilities			
Provision for Income Tax of AF Legal	17	-	286,906
		<u>-</u>	<u>286,906</u>
12 . Provisions - Short term			
Provision for Annual Leave of AF Legal	17	-	86,557
Provision for Straight Line Lease of AF Legal	17	-	7,115
		<u>-</u>	<u>93,672</u>
13 . Deferred Consideration			
Fair Value of Deferred Contingent Consideration on the acquisition of AF Legal	f)	-	500,000
		<u>-</u>	<u>500,000</u>

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		NAV 31 Dec 18 - Audit Reviewed	NAV Pro-forma Audit Reviewed Consolidated - 31 Dec 2018
		\$	\$
14. Provisions - Long term			
Provision for Long Service Leave of AF Legal	17	-	12,363
		-	12,363
15. Issued Capital			
393,223,695 Ordinary Shares as at 30 June 2018 in NAV			
19,661,185 Post Consolidation Shares on Issue	f)	115,267,665	115,267,665
Ordinary Shares on Issue in AF Legal	17	-	100
Reversal of Ordinary Shares on Issue in AF Legal	f)	-	(100)
Issue of 10,875,000 Ordinary Shares consideration for the acquisition of AF legal	f)	-	2,175,000
Issue of 29,562,470 Ordinary Shares as part of the \$5,912,494 Capital Raised	d)	-	5,912,494
Less : estimated new share issue costs	e)	-	(417,159)
		115,267,665	122,938,000
16. Accumulated Losses			
Balance at 31 Dec 2018		(114,774,265)	(114,774,265)
Retained Profits of AF Legal	17	-	750,138
Declaration of Dividend 'in-specie'	b)	-	(750,138)
Transaction Costs	e)	-	(592,479)
		(114,774,265)	(115,366,744)

**17 . Summary of AF Legal Pty Ltd from audit
Reviewed Statement of Financial Position at
31 December 2018**

	NAV 31 Dec 18 - Audit Reviewed	NAV Pro-forma Audit Reviewed Consolidated - 31 Dec 2018
	\$	\$
	Audited 30-Jun-17	Audit Reviewed 31-Dec-18
	\$	\$
Assets		
Cash and Cash Equivalents	5,147	5,343
Trade and other receivables	630,845	1,339,901
Other current assets	37,489	30,530
Loans to Directors	751,516	1,465,003
Property, Plant & Equipment	24,301	37,456
Deferred Tax Assets	(18,717)	18,169
Total Assets	1,430,581	2,896,402
Liabilities		
Trade and other payables	406,336	546,318
Borrowings	1,154,725	1,206,905
Current Tax Liabilities	(27,268)	286,906
Provisions - Short Term	40,305	93,672
Provisions - Long Term	3,416	12,363
Total Liabilities	1,577,514	2,146,164
Net Assets	(146,933)	750,238
Equity		
Issued Capital	100	100
Retained Profits	(147,033)	750,138
Total Equity	(146,933)	750,238