

ASX announcement
26 August 2015

REFFIND preliminary final results

Employee engagement technology company REFFIND Limited (ASX:RFN) has released its Appendix 4E preliminary final results for the 2014/15 financial year.

It was a short period from commercialisation in March 2015 to the end of the financial year with key highlights including:

- Experienced significant traction in securing many blue-chip clients
- Developed and launched REFFIND Employ – managing and improving the employee referral program for clients
- Launched beta version of REFFIND Engage – enabling brief and simple communication between staff and management
- Initial revenues and profitability – the latter due to a gain on loan forgiveness
- Established highly experienced and well renowned board
- Commenced IPO process including very well received roadshows and mainstream media exposure

The period since year end is particularly notable as REFFIND listed on the Australian Securities Exchange (ASX) after raising \$8 million in new equity capital at \$0.20 per share. The company received huge demand from more than 30 institutions during the IPO. Other milestones since 30 June include:

- Signed various new customers for REFFIND Employ including a number of ASX200 companies
- Established milestone deal with Randstad to target the recruitment specialists network of 400,000 IT professionals
- First expansion into Asia via Randstad agreement
- Key management hires to strengthen the expanding team

REFFIND's revenue of \$20,941 for the period is in line with guidance given during the IPO, with sales only conducted since March 2015. The loan forgiveness by major shareholder Digital4ge of \$1,266,415 helped REFFIND achieve earnings of \$509,614 for the period. This also reflects the majority of the costs associated with the IPO transaction.

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About REFFIND

REFFIND Limited is a mobile employee engagement app for smartphones targeted for use by medium-large corporations to facilitate more efficient and effective communication with their employees. Based in Sydney, Australia the company is listed on the Australian Securities Exchange (ASX:RFN).

For more information please visit www.reffind.com

REFFIND Limited

ACN: 600 717 539

ASX Appendix 4E and Preliminary Final Report

For the Period Ended 30 June 2015

ASX Appendix 4E

For the Period Ended 30 June 2015

1. Reporting Period

Current Reporting Period: 15 July 2014 (date of incorporation) to 30 June 2015
 Previous Reporting Period: Not applicable

REFFIND Limited (the Company) was incorporated on 15 July 2014 and commenced trading in March 2015. This Preliminary Final Report is for the reporting period from the date of incorporation to 30 June 2015. There is no previous reporting period.

2. Results for Announcement to the Market

		Period from 15 July 2014 to 30 June 2015
Key information	% Change	\$
Revenue from ordinary activities	N/A	20,941
Profit/(loss) from ordinary activities after tax attributable to members	N/A	509,614
Net profit/(loss) attributable to members	N/A	509,614
Earnings per share (EPS)		cents
Basic EPS (cents per share)		1.75
Diluted EPS (cents per share)		1.75
9. Net tangible asset (NTA) backing		
NTA per share		0.73

The above results should be read in conjunction with the notes and commentary contained in this report.

14. Commentary on Results for the Period

The results of the Company include a number of significant one-off items relating to the acquisition of the REFFIND business (Intellectual Property) and certain costs associated with the Company's listing on the Australian Stock Exchange (ASX) that occurred after the reporting date.

Subsequent to the reporting date, the Company successfully raised \$8,000,000 by way of an Initial Public Offer (IPO) for 40,000,000 ordinary shares at an issue price of \$0.20 and commenced trading on the ASX on 9 July 2015. In respect of the IPO, the Company incurred listing costs during the period of \$225,802 that have been expensed. Included within trade and other receivables are prepayments totalling \$231,182 relating to incremental costs incurred directly attributable to the IPO. On the date of the equity transaction, these costs will be recorded directly in the Statement of Changes in Equity as a deduction against contributed equity. The IPO was funded by contributed equity of \$1,500,000 raised during the period.

During the period, the Company acquired all Intellectual Property rights in the REFFIND mobile app from Digital4ge Pty Ltd (Digital4ge), a related party, for total consideration of \$1,500,000. The consideration was in the form of a loan agreement with Digital4ge pursuant to which Digital4ge agreed to lend the Company an amount of \$1,500,000 (Loan Agreement). The Loan Agreement terms were modified by a deed of agreement made on 30 June 2015 (New Deed). As at the date of the New Deed, the amount owing by the Company to Digital4ge under the Loan Agreement was \$950,000. Under the terms of the New Deed, Digital4ge agreed to forgive the payment of the \$950,000 still payable to the Company under the Loan Agreement and repay \$316,415 to the Company (included within trade and other receivables) such that the total amount of the loan forgiven, and recognised as a gain in the Statement of Comprehensive Income of the Company, was \$1,266,415.

During the period, the Company entered into a Transitional Services Agreement with Digital4ge under which Digital4ge agreed to provide transitional services including software development services, design services and operational & management services. Included within trade and other payables is an accrual of \$200,000, being \$120,000 and \$80,000 of costs incurred under this arrangement recognised within intangible assets and net profit attributable to members respectively. An amortisation charge of \$78,288 has been recorded as an expense in the period.

ASX Appendix 4E

For the Period Ended 30 June 2015

3. Statement of Comprehensive Income and Accompanying Notes

Refer to attached Preliminary Final Report.

4. Statement of Financial Position and Accompanying Notes

Refer to attached Preliminary Final Report.

5. Statement of Cash Flows and Accompanying Notes

Refer to attached Preliminary Final Report.

6. Statement of Changes in Equity

Refer to attached Preliminary Final Report.

7. Dividends

The Company did not declare a dividend during the reporting period.

8. Dividend Reinvestment Plans

There are no dividend reinvestment plans in operation.

10. Details of Entities over which Control has been Gained or Lost

The Company does not control any entities as at 30 June 2015, nor did it gain or lose control of any entities during the period ended 30 June 2015.

11. Details of Associates and Joint Venture Entities

The Company had no associates or joint venture entities during the period ended 30 June 2015.

12. Other Significant Information

Refer to attached Preliminary Final Report.

13. Foreign Entities

The Company is incorporated in Australia and the attached Preliminary Final Report has been prepared in accordance with all applicable International Financial Reporting Standards (IFRS).

15. Status of Audit

The final report is in the process of being audited and is not likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph.

REFFIND Limited

ACN: 600 717 539

Preliminary Final Report

For the Period Ended 30 June 2015

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Statement of Comprehensive Income **For the Period Ended 30 June 2015**

		Period from 15 July 2014 to 30 June 2015
	Note	\$
Revenue	4	20,941
Other income	4	1,266,415
Administration expense		(77,450)
Sales and marketing expense		(111,088)
Employee benefits expense		(432,989)
Consultancy costs		(60,378)
Depreciation and amortisation expense		(79,615)
IPO transaction costs		(225,802)
Legal costs		(15,820)
Finance costs		(707)
Other expenses		(97,899)
Profit/(loss) before income tax	5	185,608
Income tax benefit/(expense)		324,006
Profit/(loss) for the period from continuing activities attributable to members		509,614
Other comprehensive income/(loss), net of income tax		-
Total comprehensive income/(loss) for the period attributable to members		509,614
Earnings per share		cents
Basic earnings per share	14	1.75
Diluted earnings per share	14	1.75

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

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7	36,744
Trade and other receivables	8	607,919
TOTAL CURRENT ASSETS		644,663
NON-CURRENT ASSETS		
Trade and other receivables	8	23,045
Property, plant and equipment	9	18,462
Deferred tax assets		324,006
Intangible assets	10	1,541,712
TOTAL NON-CURRENT ASSETS		1,907,226
TOTAL ASSETS		2,551,889
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	12	571,935
TOTAL LIABILITIES		571,935
NET ASSETS		1,979,954
EQUITY		
Contributed equity	13	1,470,340
Retained earnings		509,614
TOTAL EQUITY		1,979,954

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

Statement of Changes in Equity

For the Period Ended 30 June 2015

		Contributed Equity	Retained Earnings	Total
	Note	\$	\$	\$
Balance at 15 July 2014		-	-	-
Total comprehensive income for the period		-	509,614	509,614
Contributions of equity, net of transaction costs	13	1,470,340	-	1,470,340
Balance at 30 June 2015		1,470,340	509,614	1,979,954

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

Statement of Cash Flows

For the Period Ended 30 June 2015

	Period from 15 July 2014 to 30 June 2015
Note	\$
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	18,847
Payments to suppliers and employees	(881,607)
Income taxes paid	-
Finance costs paid	(707)
Net cash used in operating activities	<u>(863,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property, plant and equipment	<u>(19,790)</u>
Net cash used by investing activities	<u>(19,790)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of loans from related parties	(550,000)
Proceeds from issue of shares	1,500,000
Share issue transaction costs	<u>(30,000)</u>
Net cash provided by financing activities	<u>(920,000)</u>
Net decrease in cash and cash equivalents held	36,744
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of the period	7 <u><u>36,744</u></u>

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

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

REFFIND Limited (the Company) was incorporated in Australia on 15 July 2014 and commenced trading in March 2015. On 16 April 2015 the Company changed from a proprietary company limited by shares to an unlisted public company limited by shares. Subsequent to the period end, the Company was admitted to the Official List of ASX Limited on 9 July 2015 with the Australian Securities Exchange (ASX) code RFN. This Preliminary Final Report is for the period from the date of incorporation to 30 June 2015.

1 Basis of Preparation

This Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E, and the recognition and measurement requirements of Australian Accounting Standards.

The Preliminary Final Report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

2 Summary of Significant Accounting Policies

The accounting policies adopted in the preparation and presentation of the Preliminary Final Report are set out below and, unless stated otherwise, are consistent with those accounting policies adopted in the preparation of the Financial Information as set out in Section 4 of the Replacement Prospectus dated 10 June 2015 (the Prospectus Financial Information).

Accounting policies adopted for the preparation of the Prospectus Financial Information

(a) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company currently has two revenue streams:

- (i) subscription revenue from sale of Software as a Service (SaaS) products. Subscription revenue is generally recognised on a straight line basis over the period the service is delivered. Deferred revenue relates to subscription revenue which has been billed to the customer for which the services are yet to be performed; and
- (ii) interest revenue. Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(c) Trade and other receivables

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

The recoverability of trade receivables is reviewed on an ongoing basis. Amounts which are determined not to be recoverable are written off by reducing the carrying amount to its recoverable amount, the difference is charged to the profit or loss in that period.

Notes to the Preliminary Final Report For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(c) Trade and other receivables continued

A provision for impairment of trade receivables is recognised when there is objective evidence that the Company is unable to collect part or all of the amounts due. Factors such as previous trading relationship, financial position, and probability of recoverability are considered when determining the extent the debtor is impaired.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts. Plant and equipment that have been contributed for no cost or for a nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

The depreciable amount of all fixed assets is recognised on a straight line basis over the asset's estimated useful life to the Company commencing from the time the assets is held ready for use. The useful life for each class of depreciable assets is:

Class of fixed asset	Useful life
Computer Equipment	3 years
Office Furniture	10 years

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

(e) Intangible assets – intellectual property

Intellectual property is initially carried at cost. Following the initial recognition, intellectual property is carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The useful life for each intangible asset is:

Class of intangible asset	Useful life
Intellectual Property	4 years

Intangible assets with an indefinite useful life are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(f) Trade and other payables

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

(g) Leases

Operating leases are arrangements under which the lessor effectively retains substantially all the risks and benefits incidental to ownership of leased assets. Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight line basis over the term of the lease.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Share-based payment transactions

The Company provides benefits to its Directors and employees (including key management personnel) in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and / or service conditional are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

(j) 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.

(k) Comparative figures

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

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(m) Income tax

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

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

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

Current and deferred income tax expense / (benefit) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Additional accounting policies adopted for this Preliminary Final Report

(n) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(n) Financial instruments continued

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(n) Financial instruments continued

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss. Losses recognised in prior period consolidated statement of profit or loss and other comprehensive income statements resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

All of the Company's derivative financial instruments that are not designated as hedging instruments in accordance with the strict conditions explained in AASB 139 are accounted for at fair value through profit or loss.

Hedging

On initial recognition of the hedge, documentation is prepared which shows the relationship between the hedged item and the hedging instrument, the risk management plan for the hedge and the methods for testing prospective and retrospective effectiveness.

Cash flow hedges

Where the risk management plan is to reduce variability in cashflows for a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss – the hedge is deemed to be a cash flow hedge.

The effective portion of the change in the fair value of the derivative is taken to other comprehensive income until the period in which the non-financial asset affects profit or loss. Any ineffective portion of the change in fair value of the derivative is taken immediately to profit or loss.

Fair value hedges

Changes in the fair value of derivatives and the hedged item where the hedge has been designated as a fair value hedge are taken to profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Notes to the Preliminary Final Report For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(n) Financial instruments continued

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(o) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(p) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share adjusts the 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.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

2 Summary of Significant Accounting Policies continued

(q) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent considerations classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(r) New accounting standard and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 <i>Revenue from Contracts with Customers</i>	30 June 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 9 <i>Financial Instruments</i>	30 June 2019	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	The Company does not expect any impact from the new classification, measurement and derecognition rules on its financial assets and financial liabilities.

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

3 Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, though estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant estimates and judgements made have been described below.

Provision for impairment of receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of intangible assets

The Company assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

4 Revenue and Other Income

	Period from 15 July 2014 to 30 June 2015
	\$
Revenue from continuing activities:	
Subscription fee income	20,941
Total revenue from continuing activities	20,941
Gain on forgiveness of loans from related parties	1,266,415
Total other income	1,266,415

Notes to the Preliminary Final Report For the Period Ended 30 June 2015

4 Revenue and Other Income continued

Gain on forgiveness of loans from related parties

On 16 April 2015, the Company entered into a loan agreement with Digital4ge Pty Ltd (Digital4ge), a related party, pursuant to which Digital4ge agreed to lend the Company an amount of \$1,500,000 (Loan Agreement).

The Loan Agreement terms were modified by a deed of agreement made on 30 June 2015 (New Deed). As at the date of the New Deed, the amount owing by the Company to Digital4ge under the Loan Agreement was \$950,000.

Under the terms of the New Deed, Digital4ge agreed to:

- Forgive the payment of the \$950,000 still payable by the Company under the Loan Agreement; and
- Repay, in accordance with the New Deed, \$316,415 in cash to the Company (Note 8).

Based on the above, the total amount of the loan forgiven and recognised as a gain in the Statement of Comprehensive Income of the Company was \$1,266,415.

5 Result for the Period

The result for the period includes the following specific expenses:

	Period from 15 July 2014 to 30 June 2015
	\$
Depreciation	1,327
Amortisation	78,288
Transitional services costs	80,000
Rental expense on operating leases:	
- Minimum lease payments	3,509

Transitional services costs

On 30 April 2015, the Company entered into a Transitional Services Agreement with Digital4ge, a related party, under which Digital4ge agreed to provide for the period commencing on 1 May 2015 to 1 November 2015, transitional services including software development services, design services and operational & management services. Either party may terminate all or part of the transitional services by giving 1 month's prior written notice.

6 Operating Segments

The Company has one operating segment, being the sale of its Software as a Service product, and one geographical location, being Australia. The Preliminary Final Report reflects the activities of this operating segment.

7 Cash and cash equivalents

	2015
	\$
Cash at bank	36,744

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

8 Trade and Other Receivables

	2015 \$
CURRENT	
Prepayments and deferred income	240,701
GST receivable	50,803
Amounts owed by related parties (Note 4)	316,415
Total current trade and other receivables	607,919
NON-CURRENT	
Security deposit	23,045
Total non-current trade and other receivables	23,045

Included within prepayments are amounts totalling \$231,182 relating to incremental costs incurred directly attributable to an equity transaction that occurred after the reporting date (Note 15). On the date of the equity transaction, these costs will be recorded directly in the Statement of Changes in Equity as a deduction against contributed equity.

9 Property, Plant and Equipment

Computer equipment	
At cost	16,460
Less: accumulated depreciation	(1,231)
Total computer equipment	15,229
Office furniture	
At cost	3,330
Less: accumulated depreciation	(97)
Total office furniture	3,233
Total property, plant and equipment	18,462

10 Intangible Assets

Intellectual property	
At cost	1,620,000
Less: accumulated depreciation	(78,288)
Total intellectual property	1,541,712
Total intangible assets	1,541,712

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

11 Business Combinations

On 16 April 2015, the Company acquired all Intellectual Property rights in the REFFIND mobile app for mobile devices (including, but not limited to, versions for use on the iOS and Android mobile operating systems, and the web based API and database code), in object code, binary form from Digital4ge for total consideration of \$1,500,000.

	2015 \$
Purchase consideration	
Loan agreement with Digital4ge (Note 4)	1,500,000
Total consideration	1,500,000
Less:	
Intellectual Property (Note 10)	1,500,000
Identifiable assets acquired	1,500,000
Goodwill arising on acquisition	-

12 Trade and Other Payables

CURRENT	
Trade payables	210,771
Accruals and deferred income	335,517
Amounts owed to related parties	25,647
Total current trade and other payables	571,935

13 Contributed Equity

60,000,000 Ordinary shares	1,479,340
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	Date	Price	No.	\$
Shares issued upon incorporation	15 July 2014	\$1.0000	100	100
Shares issued to sole shareholder	9 December 2014	\$0.0001	2,279,900	228
Shares issued to sole shareholder	16 April 2015	\$0.0001	120,000	12
			2,400,000	340
Share split – conversion on a 1 for 20 basis	16 April 2015	N/A	48,000,000	340
Shares issued – pre-IPO capital raising	30 April 2015	\$0.1250	12,000,000	1,500,000
Share issue transaction costs, net of tax			-	(21,000)
			60,000,000	1,479,340

14 Earnings per Share

	Period from 15 July 2014 to 30 June 2015
Weighted average number of ordinary shares (No.)	29,054,554
Net profit after tax (\$)	509,614
Basic and diluted earnings per share (cents)	1.75

Notes to the Preliminary Final Report

For the Period Ended 30 June 2015

15 Events Occurring After the Reporting Date

REFFIND Limited successfully raised \$8,000,000 by way of an Initial Public Offer (IPO) for 40,000,000 ordinary shares at an issue price of \$0.20 and commenced trading on the ASX on 9 July 2015.

On 2 July 2015, following completion of the IPO but prior to the Company's ASX listing, the Company issued the following securities pursuant to the Prospectus:

- 40,000,000 ordinary shares each at an issue price of \$0.20 raising \$8,000,000 (before costs);

On 6 July 2015, following completion of the IPO but prior to the Company's ASX listing, the Company issued the following securities pursuant to the Prospectus:

- 6,000,000 options with an exercise price of \$0.20 with no vesting period and exercisable on or before 30 June 2018;
- 2,750,000 options issued to Directors with an exercise price of \$0.25 vesting after 12 months and exercisable upon vesting to the date that is 4 years after the date of issue; and
- 2,700,000 options issued to Employees with an exercise price of \$0.25 vesting 50%, 25% and 25% after 12 months, 18 months and 24 months respectively and exercisable upon vesting to the date that is 4 years after the date of issue.