

REFFIND Ltd

ABN 64 600 717 539

Annual Report - 30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of REFFIND Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

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

Peter Clare - Chairman
Ben McGrath
Geoff Morgan
Jamie Pride (resigned on 22 July 2016)
Anthony Dunlop - alternate to Jamie Pride (appointed on 30 June 2016 and removed on 19 July 2016)

Principal activities

During the financial year the principal continuing activities of the group consisted of the development of cloud based Software as a Service ('SaaS') products that enabled subscribed companies to communicate with their employees in an innovative, engaging and effective manner.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the group after providing for income tax amounted to \$8,871,894 (30 June 2015: profit of \$509,614).

The group recorded subscription revenue of \$472,421 for the year ended 30 June 2016 and holds cash and cash equivalents amounting to \$4,294,244 as at 30 June 2016. Total number of customers as at 30 June 2016 was 93, comprising 45 REFFIND customers and 48 customers from the acquisition of WooBoard Pty Ltd ('WooBoard').

- The group developed and launched survey and video features to complement the existing job referral solution and moved from selling the group as an individual referral product to an employee mobile communication platform.
- The group's US business was launched in April 2016 and is working through a new prospects database.
- The group set up an additional development and support centre in the Philippines to augment its core software development in Australia.
- The group acquired 100% of the ordinary share capital of WooBoard Pty. The WooBoard acquisition did not generate the synergies expected in both product functionality and cross sales. As a result the group has impaired the entire intangible assets during the financial year.
- The group de-recognised contingent consideration amounting to \$2,040,000 payable under the WooBoard acquisition agreement as the sales targets were not achieved. This is recognised as \$2,040,000 in other income.

Significant changes in the state of affairs

On 2 July 2015, following the completion of the Initial Public Offering ('IPO'), the company issued 40,000,000 ordinary shares each at an issue price of \$0.20 raising \$8,000,000, before transaction costs.

On 9 October 2015, the company acquired 100% of the ordinary shares of WooBoard Pty Ltd for the total consideration transferred of \$3,334,936 of which \$2,040,000 was contingent consideration.

On 13 April 2016, the company issued 7,142,857 ordinary shares each at an issue price of \$0.28 per share raising \$2,000,000, before transaction costs.

There were no other significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

The Board and Management team remain confident and passionate in the growth prospects of the group and its unique market position. The group is forecasting an increase in revenue and new bookings in the next financial year and expects its first client win in the United States of America during the first half of the next financial year. Ongoing expenditure is expected to reduce in line with a reduction in overheads.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Peter Clare
Title:	Non-executive Chairman
Qualifications:	Peter holds a Master of Business Administration ('MBA') from Macquarie University and a Bachelor of Commerce from The University of New South Wales. Peter is a member of the Australian Institute of Company Directors, the Governance Institute of Australia, a fellow of CPA Australia and Financial Services Institute of Australasia ('FINSIA').
Experience and expertise:	Peter is a highly experienced senior executive with a career in banking spanning 20 years. His last role was as Chief Executive Officer and country head for Westpac in New Zealand, from 2012 to 2014. Peter has held Group Executive roles at Westpac and St. George banks with responsibility for strategy, mergers and acquisitions, Product, Operations, Technology, Property and Procurement. Previously at Commonwealth Bank he led the Colonial Bank acquisition Merger Integration Team reporting to the Chief Executive Officer.
Other current directorships:	Non-executive Chairman of Chimpchange Limited (ASX: CCA), Non-executive Director of Rubik Financial Limited (ASX: RFL), Non-executive Director of Scottish Pacific Group Limited (ASX: SCO)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and Nomination and Remuneration Committee
Interests in shares:	800,000
Interests in options:	1,000,000
Name:	Ben McGrath
Title:	Non-executive Director
Experience and expertise:	Ben has over 16 years' experience making useful digital solutions user friendly. In 2013 he co-founded Digital4ge – where he leads its customer experience and design efforts. Ben founded Freshweb Solutions Pty Ltd (which traded as 'Fresh') a digital agency specialising in banking, telco and government. He sold that business in 2012 to Now Communications Group. Ben has built digital solutions for some of the world's largest companies including; VMware, Symantec, Telstra, Vodafone, GSK, Pfizer and SingTel Optus.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee
Interests in shares:	48,283,834
Interests in options:	500,000

Name:	Geoff Morgan
Title:	Non-executive Director
Qualifications:	Member of the Australian Institute of Company Directors
Experience and expertise:	Geoff co-founded Morgan & Banks Pty Ltd in early 1985, and grew the company to become the dominant recruitment force in Australia and Asia. The company went public in 1995 and sales grew to over \$700 million, before it was acquired by TMP/Monster.com in 1999, a US listed company on the NASDAQ. In 2003 he co-founded Talent2, ultimately listing it on the ASX. In 2012 Talent2 was privatised by its founders, Geoff Morgan and Andrew Banks, through Morgan & Banks Investments ('MBI') in partnership with Allegis Group, Inc. Allegis Group Inc., a private company founded in 1983, is a staffing and workforce management company based in Maryland, USA. In 2004, Geoff was the recipient of the Ernst & Young Master Entrepreneur of the Year Award given for sustained success in business.
Other current directorships:	Livelier Limited
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee and the Nomination and Remuneration Committee
Interests in shares:	2,000,000
Interests in options:	750,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Robert Lees was appointed company secretary on 16 April 2015. Robert is a member of the Institute of Chartered Accountants of Australia and New Zealand and the Governance Institute of Australia. He is a graduate of the University of Technology, Sydney, holding a Bachelor of Business (Accounting) and Graduate Diploma in Data Processing. He also holds a Graduate Diploma in Corporate Governance. In the last 14 years he has provided company secretarial services to small ASX-listed companies.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Peter Clare	13	13
Ben McGrath	11	13
Geoff Morgan	13	13
Jamie Pride	12	13

Held: represents the number of meetings held during the time the director held office.

The functions of the Nomination and Remuneration Committee and the Audit and Risk Committee are carried out by the full Board.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 19 November 2015, where the shareholders approved a maximum annual aggregate remuneration of \$800,000.

Executive remuneration

The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives with vesting period of one year with vesting subject to meeting service condition and payment of exercise price. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2016.

Group performance and link to remuneration

Remuneration for the year was not linked directly to group performance. Any bonuses and LTI granted are at the discretion of the Board. The share option plan is subject to participants meeting service condition at the vesting date. There were no performance conditions linked to the share option plan.

Use of remuneration consultants

During the financial year ended 30 June 2016, the group did not engage any remuneration consultants.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')

At the 2015 AGM, shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The KMP of the group consisted of the directors of REFFIND Ltd and the following person:

- Rob van Es - acting Chief Executive officer

Amounts of remuneration

Details of the remuneration of KMP of the group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
Year ended 30 Jun 2016	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Peter Clare	150,000	-	-	14,250	-	41,862	206,112
Ben McGrath	108,333	-	-	10,292	-	20,931	139,556
Geoff Morgan	80,000	-	-	7,600	-	31,937	119,537
<i>Executive Directors:</i>							
Jamie Pride	336,567	-	-	17,622	-	-	354,189
<i>Other Key Management Personnel:</i>							
Rob van Es	83,333	-	-	-	-	-	83,333
	<u>758,233</u>	<u>-</u>	<u>-</u>	<u>49,764</u>	<u>-</u>	<u>94,730</u>	<u>902,727</u>

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Termination benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled		
15 Jul 2014 to 30 Jun 2015	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Peter Clare*	25,000	-	-	2,375	-	-	-	27,375
Geoff Morgan	13,333	-	-	1,267	-	-	-	14,600
<i>Executive Directors:</i>								
Jamie Pride	36,667	-	-	3,483	-	-	-	40,150
Ben McGrath*	36,667	-	-	3,483	-	-	-	40,150
<i>Other Key Management Personnel:</i>								
Brent Pearson**	147,027	-	-	15,082	-	-	42,282	204,391
	<u>258,694</u>	<u>-</u>	<u>-</u>	<u>25,690</u>	<u>-</u>	<u>-</u>	<u>42,282</u>	<u>326,666</u>

* Remuneration from date of appointment as KMP for Peter Clare on 10 April 2015 and Geoff Morgan on 24 April 2015

** Remuneration is disclosed to date of cessation as KMP for Brent Pearson on 24 April 2015

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	Year ended 30 Jun 2016	15 Jul 2014 to 30 Jun 2015	Year ended 30 Jun 2016	15 Jul 2014 to 30 Jun 2015	Year ended 30 Jun 2016	15 Jul 2014 to 30 Jun 2015
<i>Non-Executive Directors:</i>						
Peter Clare	80%	100%	-	-	20%	-
Ben McGrath	85%	100%	-	-	15%	-
Geoff Morgan	73%	100%	-	-	27%	-
<i>Executive Directors:</i>						
Jamie Pride	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Brent Pearson	-	100%	-	-	-	-
Rob van Es	100%	-	-	-	-	-

Service agreements

The group enters into employment agreements with each KMP. The agreements are continuous i.e. not of a fixed duration, and includes 12 weeks' notice period on the part of the employee and the group.

The employment agreements contain substantially the same terms which include usual statutory entitlements, typical confidentiality and intellectual property provisions intended to protect the group's intellectual property rights and other proprietary information and non-compete clauses.

Share-based compensation

Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2016.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Grant date	Particulars*	Expiry date	Exercise price	Fair value per option at grant date
6 July 2015	P Clare - 1,000,000 options	6 July 2019	\$0.25	\$0.085
6 July 2015	B McGrath - 500,000 options	6 July 2019	\$0.25	\$0.085
6 July 2015	G Morgan - 750,000 options	6 July 2019	\$0.25	\$0.085
6 July 2015	J Pride - 500,000 options	6 July 2019	\$0.25	\$0.085

* The share option plan is subject to participants meeting service condition at the vesting date. There are no performance conditions.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other KMP as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of options granted during the year Year ended 30 Jun 2016	Number of options granted during the year 15 Jul 2014 to 30 Jun 2015	Number of options vested during the year Year ended 30 Jun 2016	Number of options vested during the year 15 Jul 2014 to 30 Jun 2015
Peter Clare	1,000,000	-	-	-
Ben McGrath	500,000	-	-	-
Geoff Morgan	750,000	-	-	-
Jamie Pride	500,000	-	-	-

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Peter Clare	800,000	-	-	-	800,000
Ben McGrath*	48,000,000	-	283,834	-	48,283,834
Geoff Morgan	2,000,000	-	-	-	2,000,000
Jamie Pride*	48,000,000	-	265,316	-	48,265,316
	98,800,000	-	549,150	-	99,349,150

* Jamie Pride and Ben McGrath together have a majority shareholding in Digital4ge Pty Ltd and the interests referred to above reflect the direct shareholding of Digital4ge Pty Ltd in the company.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Peter Clare	-	1,000,000	-	-	1,000,000
Ben McGrath	-	500,000	-	-	500,000
Geoff Morgan	-	750,000	-	-	750,000
Jamie Pride	-	500,000	-	-	500,000
	-	2,750,000	-	-	2,750,000

Other transactions with key management personnel and their related parties

During the financial year, transitional service costs under a Transitional Services Agreement ('TSA') with Digital4ge Pty Ltd, a Director related entity of Jamie Pride and Ben McGrath of \$1,000,000 (2015: \$200,000, which includes \$120,000 capitalised to intangible assets) were incurred. The current amounts payable at 30 June 2016 was \$734,456 (2015: \$225,647).

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of REFFIND Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
06/07/2015	06/07/2019	\$0.25	2,650,000
06/07/2015	06/07/2018	\$0.20	6,000,000
19/01/2016	19/01/2020	\$0.55	200,000
25/01/2016	25/01/2020	\$0.59	50,000
24/02/2016	24/02/2020	\$0.51	20,000
			<u>8,920,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of REFFIND Ltd issued on the exercise of options during the year ended 30 June 2016 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 21 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Nexia Court & Co

There are no officers of the company who are former partners of Nexia Court & Co.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Nexia Court & Co were appointed during the financial year in accordance with section 327C of the Corporations Act 2001 to fill the vacancy due to the resignation of PKF. Nexia Court & Co offers themselves for reappointment at the next Annual General Meeting of the company.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Clare
Chairman

30 September 2016
Sydney

To the Board of Directors of REFFIND Ltd

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of REFFIND Ltd for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Court & Co

Chartered Accountants



Lester Wills

Partner

Dated: 30/09/2016

Sydney

Sydney Office

Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nxiacourt.com.au, www.nexia.com.au

Independent member of Nexia International



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General information

The financial statements cover REFFIND Ltd as a group consisting of REFFIND Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is REFFIND Ltd's functional and presentation currency.

REFFIND Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 15-17 Young Street
Sydney, NSW 2000
Australia

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2016. The directors have the power to amend and reissue the financial statements.

REFFIND Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016



		Consolidated 15 Jul 2014 to 30 Jun 2015 \$	
	Note	Year ended 30 Jun 2016 \$	
Revenue	4	565,513	20,941
Other income	5	2,040,000	1,266,415
Expenses			
Employee benefits expense		(2,848,727)	(432,989)
Administration expenses		(366,049)	(77,450)
Depreciation and amortisation expense	6	(481,455)	(79,615)
Impairment of assets		(5,677,415)	-
Advertising and marketing expenses		(882,498)	(91,088)
Professional and consulting expenses		(434,379)	(76,198)
IPO transaction costs		(72,221)	(225,802)
Transitional service costs		(1,000,000)	(80,000)
Other expenses		(202,157)	(37,899)
Finance costs	6	-	(707)
Profit/(loss) before income tax benefit		(9,359,388)	185,608
Income tax benefit	7	487,494	324,006
Profit/(loss) after income tax benefit for the year attributable to the owners of REFFIND Ltd		(8,871,894)	509,614
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of REFFIND Ltd		<u>(8,871,894)</u>	<u>509,614</u>
		Cents	Cents
Basic earnings per share	28	(8.74)	1.75
Diluted earnings per share	28	(8.74)	1.75

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	8	4,294,244	36,744
Trade and other receivables	9	481,634	373,352
Prepayments		11,343	234,567
Total current assets		<u>4,787,221</u>	<u>644,663</u>
Non-current assets			
Property, plant and equipment	10	74,350	18,462
Intangibles	11	-	1,541,712
Deferred tax	12	-	324,006
Security deposits		23,046	23,046
Total non-current assets		<u>97,396</u>	<u>1,907,226</u>
Total assets		<u>4,884,617</u>	<u>2,551,889</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,078,668	571,935
Employee benefits		49,989	-
Deferred revenue	14	119,139	-
Total current liabilities		<u>1,247,796</u>	<u>571,935</u>
Total liabilities		<u>1,247,796</u>	<u>571,935</u>
Net assets		<u>3,636,821</u>	<u>1,979,954</u>
Equity			
Issued capital	15	11,249,627	1,470,340
Reserves	16	749,474	-
Retained profits/(accumulated losses)		(8,362,280)	509,614
Total equity		<u>3,636,821</u>	<u>1,979,954</u>

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

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 15 July 2014	-	-	-	-
Profit after income tax benefit for the year	-	-	509,614	509,614
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	509,614	509,614
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	1,470,340	-	-	1,470,340
Balance at 30 June 2015	1,470,340	-	509,614	1,979,954

Consolidated	Issued capital \$	Reserves \$	Retained profits/ accumulated losses \$	Total equity \$
Balance at 1 July 2015	1,470,340	-	509,614	1,979,954
Loss after income tax benefit for the year	-	-	(8,871,894)	(8,871,894)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(8,871,894)	(8,871,894)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	9,779,287	-	-	9,779,287
Share-based payments (note 29)	-	749,474	-	749,474
Balance at 30 June 2016	11,249,627	749,474	(8,362,280)	3,636,821

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

		Consolidated	
		15 Jul 2014	
		to 30 Jun	
		2015	
Note	Year ended		
	30 Jun 2016		
	\$	\$	
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	600,753	18,847	
Payments to suppliers (inclusive of GST)	(4,485,845)	(881,606)	
	(3,885,092)	(862,759)	
Interest received	93,092	-	
Interest and other finance costs paid	-	(707)	
Net cash used in operating activities	27 (3,792,000)	(863,466)	
Cash flows from investing activities			
Cash acquired from purchase of subsidiary	25 47,567	-	
Payments for property, plant and equipment	10 (76,039)	(19,790)	
Payments for intangibles	11 (470,194)	-	
Net cash used in investing activities	(498,666)	(19,790)	
Cash flows from financing activities			
Proceeds from issue of shares	15 10,061,600	1,500,000	
Share issue transaction costs	(1,513,434)	(30,000)	
Repayment of loans from related parties	-	(550,000)	
Net cash from financing activities	8,548,166	920,000	
Net increase in cash and cash equivalents	4,257,500	36,744	
Cash and cash equivalents at the beginning of the financial year	36,744	-	
Cash and cash equivalents at the end of the financial year	8 <u>4,294,244</u>	<u>36,744</u>	

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

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

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

Going concern

The financial statements have been prepared on a going concern basis.

During the financial year ended 30 June 2016 the group incurred a loss of \$8,871,894 (2015: profit \$509,614). The loss included an impairment charge of \$5,677,415. The cash outflow from operating activities was \$3,792,000 (2015: \$863,466)

The continuing viability of the group and its ability to continue as a going concern is dependent upon the group being successful in its continuing efforts in growing its subscription revenue base and/or accessing additional sources of capital. The group have also implemented a cost savings plan to be rolled out in the second quarter of the financial year ending 30 June 2017.

As a result there is significant uncertainty whether the group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. However, the directors believe that the group will be successful in the above matters and, accordingly, have prepared the financial statements on a going concern basis.

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the group not continue as a going concern. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2016.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention except for contingent consideration at fair value.

Critical accounting estimates

The preparation of the 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 involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of REFFIND Ltd ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. REFFIND Ltd and its subsidiaries together are referred to in these financial statements as the 'group'.

Note 1. Significant accounting policies (continued)

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

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

Subscription fees

Subscription fees from sale of Software as a Service ('SaaS') products is recognised on a straight line basis over the period the service is delivered in accordance with the terms of the contracts provided in the subscription agreement. Deferred revenue relates to revenue which has been billed to the customer for which the services are yet to be performed.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

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

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 1. Significant accounting policies (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

REFFIND Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised 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.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

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 are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost 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. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	over the life of the lease
Computer equipment	three years
Office furniture	ten years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Note 1. Significant accounting policies (continued)

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are 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.

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.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intellectual property

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the group is able to use or sell the asset; the group has sufficient resources; and intent to complete the development and its costs can be measured reliably. These capitalised costs and other intellectual property, purchased from third parties, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of four years.

Customer contracts and relationships

Customer contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years.

Impairment of non-financial assets

Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

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

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

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

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

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

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Note 1. Significant accounting policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

Note 1. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The group 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.

Income tax

The group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The group is organised into two operating segments: REFFIND and WooBoard Software as a Service products ('WooBoard'). In the previous year, the group had one operating segment: REFFIND. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation and amortisation adjusted for impairment of assets). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The CODM does not review segment assets and liabilities.

Operating segment information

	REFFIND	WooBoard	Total
	\$	\$	\$
Consolidated - Year ended 30 Jun 2016			
Revenue			
Sales to external customers	366,406	106,015	472,421
Interest	93,092	-	93,092
Total revenue	459,498	106,015	565,513
Adjusted EBITDA	(3,369,944)	76,334	(3,293,610)
Depreciation and amortisation			(481,455)
Impairment of assets			(5,677,415)
Interest revenue			93,092
Loss before income tax benefit			(9,359,388)
Income tax benefit			487,494
Loss after income tax benefit			(8,871,894)
<i>Material items include:</i>			
Impairment of assets	(2,845,538)	(2,831,877)	(5,677,415)
Gain on de-recognition of contingent consideration	2,040,000	-	2,040,000

Note 3. Operating segments (continued)

Consolidated - 15 Jul 2014 to 30 Jun 2015

Revenue

Sales to external customers

Total revenue

Adjusted EBITDA

Depreciation and amortisation

Finance costs

Profit before income tax benefit

Income tax benefit

Profit after income tax benefit

REFFIND \$	Total \$
20,941	20,941
20,941	20,941
265,930	265,930
	(79,615)
	(707)
	185,608
	324,006
	509,614

Note 4. Revenue

Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
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Sales revenue

Subscription fees

Other revenue

Interest

Revenue

472,421	20,941
93,092	-
565,513	20,941

Note 5. Other income

Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
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Gain on forgiveness of loans from related parties

Gain on de-recognition of contingent consideration (note 19)

Other income

-	1,266,415
2,040,000	-
2,040,000	1,266,415

Note 6. Expenses

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	2,078	-
Computer equipment	15,394	1,231
Office furniture	2,679	97
Total depreciation	20,151	1,328
<i>Amortisation</i>		
Intellectual property	461,304	78,288
Total depreciation and amortisation	481,455	79,616
<i>Finance costs</i>		
Interest and finance charges paid/payable	-	707
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	78,552	3,509
<i>Superannuation expense</i>		
Defined contribution superannuation expense	176,083	33,950

Note 7. Income tax benefit

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
<i>Income tax benefit</i>		
Deferred tax - origination and reversal of temporary differences	(487,494)	(324,006)
Aggregate income tax benefit	<u>(487,494)</u>	<u>(324,006)</u>
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 12)	(487,494)	(324,006)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Profit/(loss) before income tax benefit	(9,359,388)	185,608
Tax at the statutory tax rate of 30%	(2,807,816)	55,682
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of assets	1,703,225	-
Non-deductible expenses	28,712	4,848
Non-assessable income	(612,000)	(379,925)
Sundry items	-	(4,611)
	(1,687,879)	(324,006)
Current year tax losses not recognised	1,687,879	-
Reversal of deferred tax liability arising on business combination	(811,500)	-
Prior year temporary differences now not recognised	324,006	-
Income tax benefit	<u>(487,494)</u>	<u>(324,006)</u>

Note 8. Current assets - cash and cash equivalents

	Consolidated 2016 \$	2015 \$
Cash at bank	954,244	36,744
Cash on deposit	3,340,000	-
	<u>4,294,244</u>	<u>36,744</u>

Note 9. Current assets - trade and other receivables

	Consolidated 2016 \$	2015 \$
Trade receivables	108,937	-
Other receivables	17,572	6,134
Receivable from related party	321,351	316,415
GST receivable	33,774	50,803
	<u>481,634</u>	<u>373,352</u>

No provision for impairment of receivables exists as at 30 June 2016 (2015: \$nil)

Note 9. Current assets - trade and other receivables (continued)

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$60,028 as at 30 June 2016 (\$nil as at 30 June 2015).

The group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated 2016 \$	2015 \$
Under three months overdue	50,500	-
Over three months overdue	9,528	-
	<u>60,028</u>	<u>-</u>

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2016 \$	2015 \$
Leasehold improvements - at cost	5,100	-
Less: Accumulated depreciation	(2,078)	-
	<u>3,022</u>	<u>-</u>
Computer equipment - at cost	53,873	16,460
Less: Accumulated depreciation	(16,625)	(1,231)
	<u>37,248</u>	<u>15,229</u>
Office furniture - at cost	36,856	3,330
Less: Accumulated depreciation	(2,776)	(97)
	<u>34,080</u>	<u>3,233</u>
	<u>74,350</u>	<u>18,462</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$	Computer equipment \$	Office furniture \$	Total \$
Balance at 15 July 2014	-	-	-	-
Additions	-	16,460	3,330	19,790
Depreciation expense	-	(1,231)	(97)	(1,328)
	<u>-</u>	<u>15,229</u>	<u>3,233</u>	<u>18,462</u>
Balance at 30 June 2015	-	15,229	3,233	18,462
Additions	5,100	37,413	33,526	76,039
Depreciation expense	(2,078)	(15,394)	(2,679)	(20,151)
	<u>3,022</u>	<u>37,248</u>	<u>34,080</u>	<u>74,350</u>

Note 11. Non-current assets - intangibles

	Consolidated 2016 \$	2015 \$
Goodwill - at cost	1,421,813	-
Less: Impairment	(1,421,813)	-
	-	-
Intellectual property - at cost	4,077,194	1,620,000
Less: Accumulated amortisation	(539,592)	(78,288)
Less: Impairment	(3,537,602)	-
	-	1,541,712
Customer contracts and relationships - at cost	718,000	-
Less: Impairment	(718,000)	-
	-	-
	-	1,541,712

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Intellectual property \$	Customer contracts and relationships \$	Total \$
Balance at 15 July 2014	-	-	-	-
Additions	-	120,000	-	120,000
Additions through business combinations	-	1,500,000	-	1,500,000
Amortisation expense	-	(78,288)	-	(78,288)
Balance at 30 June 2015	-	1,541,712	-	1,541,712
Additions	-	470,194	-	470,194
Additions through business combinations (note 25)	1,421,813	1,987,000	718,000	4,126,813
Impairment of assets	(1,421,813)	(3,537,602)	(718,000)	(5,677,415)
Amortisation expense	-	(461,304)	-	(461,304)
Balance at 30 June 2016	-	-	-	-

Impairment testing

As at 30 June 2016, the group tested its assets for impairment in accordance with its accounting policies set out in note 1. Due to the loss making position of the group during the year ended 30 June 2016, an indicator of impairment is deemed to be in existence. For the purpose of impairment testing, the group's assets are allocated to cash generating units ('CGUs'). The group has two CGU's, consistent with its operating segments, being REFFIND and WooBoard.

Key assumptions used for value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations which requires the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a one year period. Estimated growth rates and other reasonable assumptions are utilised to further calculate cash flows out to five years from the reporting date. Cash flows beyond the five year period are extrapolated into perpetuity using estimated terminal growth rates shown below. The terminal growth rate does not exceed the long term average growth rate for the industries in which it operates.

Note 11. Non-current assets - intangibles (continued)

Two to five year growth rates

REFFIND: 25%-35%

WooBoard: 0%

Long term growth rate

REFFIND: 7 %

WooBoard: 0%

Pre-tax discount rate

REFFIND: 20%

WooBoard: 20%

Impairment charge

Based on the value-in-use calculation methodology and assumptions stated above, the carrying amount of each CGU exceeded its recoverable amount, resulting in an impairment charge of \$5,677,415. As at 30 June 2016, the group's intangible assets were fully impaired.

Note 12. Non-current assets - deferred tax

Consolidated
2016 2015
\$ \$

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Tax losses	-	263,059
Accrued expenses	-	9,531
IPO transaction costs	-	27,930
Intangible assets	-	23,486
Deferred tax asset	-	324,006

Movements:

Opening balance	324,006	-
Credited to profit or loss (note 7)	487,494	324,006
Additions through business combinations (note 25)	(811,500)	-
Closing balance	-	324,006

Note 13. Current liabilities - trade and other payables

Consolidated
2016 2015
\$ \$

Trade payables	197,072	210,771
Accrued expenses	132,964	135,517
Payable to related party	734,456	225,647
Other payables	14,176	-
	1,078,668	571,935

Refer to note 18 for further information on financial instruments.

Note 14. Current liabilities - deferred revenue

	Consolidated 2016 \$	Consolidated 2015 \$
Deferred revenue	119,139	-

Note 15. Equity - issued capital

	2016 Shares	2015 Shares	Consolidated 2016 \$	Consolidated 2015 \$
Ordinary shares - fully paid	108,168,798	60,000,000	11,249,627	1,470,340

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	15 July 2014	-	-
Shares issued upon incorporation	15 July 2014	100	100
Issue of shares	9 December 2014	2,279,900	228
Issue of shares	16 April 2015	120,000	12
Share split - conversion on a 1 for 20 basis	16 April 2015	45,600,000	-
Issue of shares - pre-IPO capital raising	30 April 2015	12,000,000	1,500,000
Share issue transaction costs, net of tax		-	(30,000)
Balance	30 June 2015	60,000,000	1,470,340
Shares issued at IPO	2 July 2015	40,000,000	8,000,000
Settlement for options granted		-	61,600
Issue of shares on acquisition of WooBoard Pty Ltd	6 April 2016	1,025,941	1,231,121
Issue of shares	13 April 2016	7,142,857	2,000,000
Share issue transaction costs, net of tax		-	(1,513,434)
Balance	30 June 2016	108,168,798	11,249,627

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 15. Equity - issued capital (continued)

The group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2015 Annual Report.

Note 16. Equity - reserves

	Consolidated 2016 \$	2015 \$
Share-based payments reserve	749,474	-

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$	Total \$
Balance at 15 July 2014	-	-
Balance at 30 June 2015	-	-
Share-based payments	749,474	749,474
Balance at 30 June 2016	749,474	749,474

Note 17. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 18. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The group is not exposed to any significant foreign currency risk.

Price risk

The group is not exposed to any significant price risk.

Note 18. Financial instruments (continued)

Interest rate risk

The group's interest rate risk is limited to interest income on cash at bank. An official increase/decrease in interest rates of 50 (2015: 50) basis points would have an adverse/favourable effect on profit before tax of \$21,471 (2015: \$184) per annum.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2016					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	197,072	-	-	-	197,072
Other payables	14,176	-	-	-	14,176
Payable to related party	734,456	-	-	-	734,456
Total non-derivatives	945,704	-	-	-	945,704
	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2015					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	210,771	-	-	-	210,771
Payable to related party	225,647	-	-	-	225,647
Total non-derivatives	436,418	-	-	-	436,418

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 19. Fair value measurement

Fair value hierarchy

The group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Note 19. Fair value measurement (continued)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Contingent consideration is valued at each reporting date based on the likely settlement amount, discounted to present value. Contingent consideration was measured based on the expected monthly revenues formed using probability adjusted revenue.

The contingent consideration arising from the business combination, as detailed in note 25, has been remeasured at the reporting date based on the updated financial plan for the financial year ending 30 June 2017. It is considered highly unlikely that the first earn out target will be achieved and therefore the contingent consideration has been de-recognised to profit or loss.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	Contingent consideration \$	Total \$
Consolidated		
Balance at 15 July 2014	-	-
Balance at 30 June 2015	-	-
Contingent consideration recognised on business combinations (note 25)	2,040,000	2,040,000
Gain recognised in other income in profit or loss (note 5)	(2,040,000)	(2,040,000)
Balance at 30 June 2016	-	-

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Short-term employee benefits	758,233	258,694
Post-employment benefits	49,764	25,690
Termination benefits	-	42,282
Share-based payments	94,730	-
	<u>902,727</u>	<u>326,666</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Court & Co, the auditor of the company:

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
<i>Audit services - Nexia Court & Co (2015: PKF)</i>		
Audit or review of the financial statements	27,500	14,500
<i>Other services - Nexia Court & Co (2015: PKF)</i>		
Taxation services	44,752	-
Services for IPO	-	24,000
	44,752	24,000
	<u>72,252</u>	<u>38,500</u>

Note 22. Commitments

	Consolidated 2016 \$	2015 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	104,071	34,011
One to five years	52,244	17,599
	<u>156,315</u>	<u>51,610</u>

Operating lease commitments includes contracted amounts or commercial leases under non-cancellable operating leases expiring within two years, with option to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 23. Related party transactions

Parent entity

REFFIND Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Note 23. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Payment for other expenses: Transitional service costs under Transitional Services Agreement ('TSA') with Digital4ge Pty Ltd, a director related entity of Jamie Pride and Ben McGrath	1,000,000	200,000

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2016 \$	2015 \$
Current receivables: Trade receivables from Digital4ge Pty Ltd, a director related entity of Jamie Pride and Ben McGrath	321,351	316,415
Current payables: Payables to Digital4ge Pty Ltd, a director related entity of Jamie Pride and Ben McGrath	734,456	225,647

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Profit/(loss) after income tax	(6,991,666)	509,614
Total comprehensive income	(6,991,666)	509,614

Note 24. Parent entity information (continued)

Statement of financial position

	Parent 2016 \$	2015 \$
Total current assets	4,622,469	644,663
Total assets	6,759,865	2,551,889
Total current liabilities	1,242,816	571,935
Total liabilities	1,242,816	571,935
Equity		
Issued capital	11,249,627	1,470,340
Share-based payments reserve	749,474	-
Retained profits/(accumulated losses)	(6,482,052)	509,614
Total equity	<u>5,517,049</u>	<u>1,979,954</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2016 and 30 June 2015.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2016 and 30 June 2015.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 25. Business combinations

WooBoard Pty Ltd

On 9 October 2015 the company acquired 100% of the ordinary shares of WooBoard Pty Ltd ('WooBoard') for the total consideration transferred of \$3,334,936. This is an employee recognition SaaS platform. The acquisition is expected to expand the product offering of the group, increase use of the REFFIND platform and provide an entry into the United States market via WooBoard's customer's relationships. The goodwill of \$1,421,813 represented the synergies expected to arise after the acquisition. The acquired business contributed revenues of \$106,015 and profit after tax of \$76,344 to the group for the period from 9 October 2015 to 30 June 2016. If the acquisition occurred on 1 July 2015, the full year contributions would have been revenues of \$133,081 and profit after tax of \$36,114. The values identified in relation to the acquisition of WooBoard Pty Ltd are final as at 30 June 2016.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	47,567
Trade receivables	70,233
Intellectual property	1,987,000
Customer contracts and relationships	718,000
Trade payables and other payables	(83,116)
Deferred tax liability	(811,500)
Employee benefits	(15,061)
Net assets acquired	1,913,123
Goodwill	1,421,813
Acquisition-date fair value of the total consideration transferred	3,334,936
Representing:	
REFFIND Limited shares issued to vendor	1,231,121
Contingent consideration	2,040,000
Liabilities assumed in respect of acquisition costs incurred by WooBoard Pty Ltd	63,815
	3,334,936
Acquisition costs expensed to profit or loss	65,746
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	3,334,936
Less: cash and cash equivalents	(47,567)
Less: contingent consideration	(2,040,000)
Less: shares issued by company as part of consideration	(1,231,121)
Less: liabilities assumed in respect of acquisition costs incurred by WooBoard Pty Ltd	(63,815)
Net cash received	(47,567)

Note 25. Business combinations (continued)

Contingent consideration

The contingent consideration arrangement requires the company to issue ordinary shares to the former owners of WooBoard on, or around 31 October 2016, provided that WooBoard achieves set revenue milestones.

The potential number of ordinary shares that the company could be required to issue under this arrangement is between nil and 2,900,000. The fair value of the contingent consideration of \$2,040,000 was calculated based on an estimated 1,700,000 ordinary shares at a fair value of \$1.20, being the closing quoted price of the company's shares on the ASX at the date of acquisition. The estimated number of shares was formed using assumed probability-adjusted revenue. As the contingent consideration is a financial liability at fair value through profit or loss, the fair value of the financial liability is to be determined at each reporting period.

The contingent consideration has been remeasured as at 30 June 2016 based on the updated financial plan for the financial year ending 30 June 2017. It is considered highly unlikely that the first earn out target will be achieved and therefore the contingent consideration has been de-recognised.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2016 %	2015 %
WooBoard Pty Ltd	Australia	100%	-

Note 27. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Profit/(loss) after income tax benefit for the year	(8,871,894)	509,614
Adjustments for:		
Depreciation and amortisation	481,455	79,615
Impairment of non-current assets	5,677,415	-
Share-based payments	749,474	-
Gain on loan forgiveness	-	(1,266,415)
Gain on de-recognition of contingent consideration	(2,040,000)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(38,049)	(314,210)
Decrease/(increase) in deferred tax assets	324,006	(324,006)
Decrease in prepayments	223,224	-
Increase in trade and other payables	2,463,617	451,936
Decrease in deferred tax liabilities	(811,500)	-
Increase in employee benefits	34,928	-
Decrease in other operating liabilities	(1,984,676)	-
Net cash used in operating activities	<u>(3,792,000)</u>	<u>(863,466)</u>

Note 28. Earnings per share

	Consolidated Year ended 30 Jun 2016 \$	15 Jul 2014 to 30 Jun 2015 \$
Profit/(loss) after income tax attributable to the owners of REFFIND Ltd	(8,871,894)	509,614
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	101,544,737	29,054,554
Weighted average number of ordinary shares used in calculating diluted earnings per share	101,544,737	29,054,554
	Cents	Cents
Basic earnings per share	(8.74)	1.75
Diluted earnings per share	(8.74)	1.75

For the purpose calculating the diluted earnings per share options have been excluded as the effect would be anti-dilutive.

Note 29. Share-based payments

A share option plan has been established by the group and approved by shareholders at a general meeting, whereby the group may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

During the IPO transaction process, the group established the REFFIND Limited Broker Option Plan. Each Broker option is exercisable at any time from the date of issue until 30 June 2018. Upon exercise, each Broker Option entitles the Lead Manager of the IPO to be allotted one share in the company.

Set out below are summaries of options granted under the plan:

2016							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/07/2015	06/07/2019	\$0.25	-	6,200,000	-	-	6,200,000
06/07/2015	06/07/2018	\$0.20	-	6,000,000	-	-	6,000,000
28/05/2015	28/08/2019	\$0.70	-	200,000	-	-	200,000
07/12/2015	07/12/2019	\$1.02	-	150,000	-	-	150,000
19/01/2016	19/01/2020	\$0.55	-	50,000	-	-	50,000
25/01/2016	25/01/2020	\$0.59	-	250,000	-	-	250,000
24/02/2016	24/02/2020	\$0.51	-	20,000	-	-	20,000
			-	12,870,000	-	-	12,870,000
Weighted average exercise price			\$0.00	\$0.25	\$0.00	\$0.00	\$0.25

6,000,000 broker options vested on 9 July 2015. The options are subject to a 24 month escrow from the date of official quotation. No broker options were exercised during the year.

No employee options vested or were exercisable at 30 June 2016 (2015: nil).

The weighted average share price during the financial year was \$0.58.

Note 29. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.5 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/07/2015	06/07/2019	\$0.20	\$0.25	69.38%	-	1.95%	\$0.085
28/08/2015	28/08/2019	\$0.69	\$0.70	69.38%	-	1.95%	\$0.354
07/12/2015	07/12/2019	\$0.66	\$1.02	69.38%	-	1.95%	\$0.279
06/07/2015	06/07/2018	\$0.20	\$0.20	69.38%	-	1.95%	\$0.093
19/01/2016	19/01/2020	\$0.52	\$0.55	69.38%	-	1.95%	\$0.268
25/01/2016	25/01/2020	\$0.66	\$0.59	69.38%	-	1.95%	\$0.367
24/02/2016	24/02/2020	\$0.43	\$0.51	69.38%	-	1.95%	\$0.270

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Clare
Chairman

30 September 2016
Sydney

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFFIND LTD

Report on the Financial Report

We have audited the accompanying financial report of REFFIND Ltd, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 of the financial report that gives a true and fair view 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.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors as at the time of this auditor's report.

Sydney Office

Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nxiacourt.com.au, www.nexia.com.au

Independent member of Nexia International



Opinion

In our opinion:

- (a) the financial report of REFFIND Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter – going concern

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company incurred net losses of \$8,871,894 and cash outflows from operating activities of \$3,792,000 for the year ended 30 June 2016.

The financial report had been prepared on a going concern basis which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary courses of business.

In Note 1, the directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. As discussed in that note, if the company is unsuccessful in growing its subscription revenue base and/or accessing additional sources of capital, there are material uncertainties as to whether the company will be able to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 3 to 8 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of REFFIND Ltd for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.



Nexia Court & Co
Chartered Accountants



Lester Wills
Partner
Dated: 30/09/2016
Sydney

The shareholder information set out below was applicable as at 27 September 2016.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	247	-
1,001 to 5,000	575	-
5,001 to 10,000	267	-
10,001 to 100,000	518	1
100,001 and over	117	13
	1,724	14
Holding less than a marketable parcel	935	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
Digital4ge Pty Ltd	48,265,316	44.62
Citicorp Nominees Pty Limited	2,681,699	2.48
HSBC Custody Nominees (Australia) Limited	2,372,122	2.19
GK Morgan Investments Pty Ltd	2,000,000	1.85
Mr Peter Gerard Cook & Mrs Joan Christine Cook (Peter Cook Family A/C)	981,000	0.91
ABN AMRO Clearing Sydney Nominees Pty Ltd (Custodian A/C)	898,866	0.83
BNP Paribas Nominees Pty Ltd (Albert Fried Customer DRP)	846,171	0.78
Haruspex Pty Ltd (Haruspex Trading A/C)	805,500	0.74
Krupace Holdings Pty Ltd	800,000	0.74
Bannaby Investments Pty Limited (Bannaby Super Fund A/C)	657,142	0.61
Rogers SF Management Pty Ltd (Rogers Super Fund A/C)	612,000	0.57
Mr Simon Robinson	608,001	0.56
Foster Stockbroking Nominees Pty Ltd (No 1 Account)	600,000	0.55
Mr Joseph Paul Kennedy (J P Kennedy Super Fund A/C)	600,000	0.55
Mr Robert Leslie Rogers	540,000	0.50
Mr Peter Galvin	538,954	0.50
Chifley Portfolios Pty Limited (David Hannon A/C)	535,714	0.50
McNeil Nominees Pty Limited	500,000	0.46
Ms Narelle Judith Wilson	500,000	0.46
Mr Chiv Duc Thai	496,973	0.46
	65,839,458	60.86

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	12,600,000	14

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
Foster Stockbroking Nominees Pty Ltd (No 1 Options over ordinary shares Account)		5,500,000

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held	% of total shares issued
Digital4ge Pty Ltd	48,265,316	44.62

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number of shares
Ordinary shares	9 July 2017	49,800,000
Options over ordinary shares	9 July 2017	8,750,000
		<u>58,550,000</u>

Directors	Peter Clare - Non-executive Chairman Ben McGrath - Non-executive Director Geoff Morgan - Non-executive Director
Company secretary	Robert Lees
Registered office	Level 7, 15-17 Young Street Sydney, NSW 2000 Australia
Share register	Boardroom Pty Limited Level 12, 255 George Street Sydney, NSW 2000 Australia Phone: +61 (02) 9290 9600
Auditor	Nexia Court & Co Level 16, 1 Market Street Sydney, NSW 2000 Australia
Stock exchange listing	REFFIND Ltd shares are listed on the Australian Securities Exchange (ASX code: RFN)
Website	http://www.reffind.com
Corporate Governance Statement	The corporate governance statement was approved at the same time as the annual report and can be found at https://www.reffind.com/investor-centre/