29 August 2014

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

JCurve's Annual Financial Results

Results for Announcement to the Market

The operating results for the year to 30 June 2014 are shown with comparisons to the previous corresponding period, being the year ended 30 June 2013.

	Year ended 30 June 2014 $	Year ended 30 June 2013 $	Percentage increase / (decrease) over previous corresponding period
Revenue from continuing operations	11,637,193	10,139,950	13% increase
Earnings before interest, taxation, depreciation & amortisation (**EBITDA**)	(1,211,523)	(1,476,986)	18% decrease
Net loss after tax (from continuing operations only)	(1,424,796)	(2,536,533)	44% decrease
Profit/(loss) from ordinary activities after tax attributable to members	(1,424,796)	(3,120,459)	54% decrease
Net profit/(loss) for the period attributable to members	(1,424,796)	(3,120,459)	54% decrease

Dividends

No dividends were paid during the financial year. The Board advises that it does not intend to declare a final dividend for the financial year, and it will consider reinstating the dividend policy in the future.

Net Tangible Assets / Earnings Per Share

	30 June 2014	30 June 2013
Net tangible assets per ordinary share for continuing operations	0.17 cents	1.78 cents
Basic loss per ordinary share for continuing operations	(0.60) cents	(1.33) cents

Independent Audit Report

The information outlined above is presented in accordance with ASX Listing Rule 4.3A and the *Corporations Act 2001* (**Corporations Act**). The Appendix 4E is based on the audited Annual Financial Report for the year ended 30 June 2014. The Independent Audit Report is included in the Annual Financial Report attached.

Accounting Policies, Estimation Methods and Measurements

The accounting policies, estimation methods and measurement bases used in the Appendix 4E is the same as those used in the previous annual report and half-year report.

Yours faithfully

Graham Baillie
Chairman

JCurve Solutions Limited
(formerly Stratatel Limited)
Annual Financial Report
For the year ended 30 June 2014

JCurve Solutions Limited
ABN 63 088 257 729
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Contents

CORPORATE INFORMATION

ABN 63 088 257 729

Directors
Mr Graham Baillie
Mr Chris Gabriel
Mr John Bond

Company Secretary
Ms Sarah Smith

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Western Australia 6000

Securities Exchange Listings
Australian Securities Exchange
ASX Code: JCS

Website

www.jcurvesolutions.com.au

CHAIRMAN'S LETTER

Dear Shareholder

The Company has delivered an EBITDA of $1.2 million loss from continuing operations, compared to $1.5m loss for financial year 2013. This is considered quite a good result considering the impact during the year of $0.8m of non-recurring costs expended on two acquisitions, including a capital raising and redundancies associated with a subsequent organisational restructure. In addition, the Company was impacted by impairment charges of $0.5m.

The Company's operations have been split into two divisions as a result of the acquisitions JTEL and JCurve, being telecommunications and business software. Following an active year in rebranding the Company and acquiring additional businesses, 2015 is to be a period of consolidation to generate the benefits of these and the resultant organisational restructure. Under the leadership of two General Managers, each business unit is focused on increasing market share, revenues and enhanced financial performance.

In the prevailing economic conditions the Company's JTEL product has performed strongly in both Australia and the South African joint venture. With the integration of the Full Circle Group acquisition now complete, this will further contribution positively to the contribution from this division. Following the acquisition of JCurve Solutions Pty Ltd and further product development, its go to market strategy, particularly to the accounting professional is ready to be launched in the first quarter of 2015.

The Company's Professional Services division performed in line with budget and is preparing itself for increasing its activities in the cloud computing phenomenon.

On behalf of the Board of Directors of JCurve Solutions Limited, I would like to thank all Shareholders for your continuing support of the Company as it re-shapes itself with a vision of being a leading supplier of innovative cloud computing software products and services.

Graham Baillie
Chairman

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity for the financial year ended 30 June 2014. In order to comply with the provisions of the Corporations Act, the directors report is as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Graham Baillie FAICD (Executive Chairman)

Mr Baillie joined the Company in September 2007 as a non-executive Director and was appointed Chairman in May 2012, briefly serving as Managing Director for period December 2013 to June 2014 before returning to position of Chairman in July 2014.

In 1994, Mr Baillie established Outsource Australia Pty Ltd (OSA) to provide outsourcing services to the Australian market. In his capacity as majority shareholder and Chief Executive Officer he developed the company nationally and internationally. Today OSA is known as Converga.

Prior to this, Mr Baillie was with AUSDOC during its formative years through to its ultimate ASX listing in September 1993. In this time he was not only integral to the development of the company throughout Australia but was also involved in establishing similar business operations in New Zealand, USA and United Kingdom.

Chris Gabriel MBA, LLB, B. Bus, CPA, FAICD, FGIA (Non-Executive Director) *Appointed 17 December 2013*

Mr Gabriel has received an impressive number of accolades and awards during his career across a number of chief executive and senior directorial roles. His background includes a wealth of experience from senior leadership roles in the IT and telecommunications sectors both within Australia and internationally, particularly in Africa and the Middle East.

Mr Gabriel is an angel investor, Chairman of Alive Mobile Group, Chairman of Talent Rise Foundation, Non-Executive Director of Talent International and Advisory Board Chairman of Clean Power Systems.

John Bond B.Com, B.Juris, B Laws, FAICD

Mr Bond has been a Director of Primewest Management Limited since 2000 and of other companies within the group since 1994. Primewest is a commercial property syndication business with assets under management of $1.8 billion located in all mainland states. His background spans law, investment banking as well as property investment and development. As a professional property investor, he has over 20 years' experience in negotiating acquisitions, overseeing the development of properties and asset management.

He is a qualified solicitor and also holds a Bachelor of Commerce degree, is a Corporate Member of the Property Council and a member of the Australian Institute of Company Directors. He is currently also Chairman of The Fathering Project and Director of ASX listed Fleetwood Corporation since 18 March 2013.

Ian Alexander Macliver B.Comm., CA, F Fin, MAICD (Non-Executive Director) *Resigned 31 October 2013*

Mr Macliver joined the Company in July 2000 and resigned as Non-Executive Director 31 October 2013 following completion of the JCurve acquisition.

Mr Macliver is the Managing Director of Grange Consulting Group Pty Ltd (Grange Consulting), a firm that provides specialist corporate advisory services to both listed and unlisted companies. He is also Chairman of Grange's securities arm, Grange Capital Partners Pty Ltd, which specialises in capital raisings and corporate finance transactions.

In the three years immediately before the end of the financial year, Mr Macliver has also served as a Non-executive Director of the following listed companies:

Feb 2011	current	Western Areas NL
Jan 2004	current	Otto Energy Limited
Sept 2010	current	Select Exploration Limited
Feb 2011	Nov 2011	Mount Gibson Iron
May 2006	Feb 2011	Smart Parking Limited (formerly Car Parking Technologies Limited)
Dec 1994	April 2012	Port Bouvard Limited

DIRECTORS' REPORT (continued)

Michael James Fairclough MAICD (Non-Executive Director) *Resigned 31 October 2013*

Mr Fairclough founded the Company in 1997 and has been actively involved in the communications and technology industry throughout Australia for over 15 years. Mr Fairclough was the founding Managing Director of the Company and served in a non-executive director capacity. Mr Fairclough resigned as Non-Executive Director 31 October 2013 following completion of the JCurve acquisition.

Nihal Gupta *Appointed 31 October 2013, Resigned 21 July 2014.*

Mr Gupta was appointed to the Board in October 2013. Mr Gupta is the Chair of NSW Multicultural Business Advisory Panel, member of the NSW Export & Investment Advisory Board and Director on the Board of the SCG Trust.

Mr Gupta is Managing Director of Digital Electronics Corporation Australia Pty Ltd, which he established in 2005. Mr Gupta resigned 21 July 2014 to pursue other interests.

Company Secretary

Sarah Smith B.Com, CA

Ms Sarah Smith was appointed Company Secretary on 1 September 2011. Sarah provides corporate advisory and financial management services to clients of Grange Consulting. Sarah is a Chartered Accountant with significant experience in accounting and business services. Sarah specialises in corporate compliance, statutory reporting and financial accounting services for listed companies.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of JCurve were:

	Ordinary Shares	Options over Ordinary Shares
G Baillie	81,319,478	35,714,284
J Bond	31,198,481	-
C Gabriel	-	-
	112,517,959	-

During the financial year no share options were granted as remuneration.

	Number of options granted as remuneration	Number of options over ordinary shares held at date of this report
Director:		
G Baillie	-	35,714,284
J Bond	-	-
C Gabriel	-	-
Total	-	35,714,284

DIRECTORS' REPORT (continued)

Interests in the shares and options of the company and related bodies corporate (continued)

Details of unissued ordinary shares under options are as follows:

	Number of options	KMP option holdings	Exercise price	Expiry date
JCurve Solutions Ltd	8,928,571	8,928,571	$0.000001	31 March 2016
JCurve Solutions Ltd	8,928,571	8,928,571	$0.000001	31 March 2017
JCurve Solutions Ltd	8,928,571	8,928,571	$0.000001	31 March 2018
JCurve Solutions Ltd	8,928,571	8,928,571	$0.000001	31 March 2019
Total	35,714,284	35,714,284		

No ordinary shares were issued during the financial year as a result of the exercise of an option.

Dividends

No dividends were declared or paid during the Financial Year ended 30 June 2014.

Principal activities

The principal activities of the Company during the year were the development and marketing of Telecommunications Expense Management Solutions (JTEL), Accounting & ERP Cloud Solutions (JCurve Business Software) and Professional Services Consulting (JConnects), specifically dealing with IBM products and the emerging cloud computing platform.

Review of operations

In December 2013 Stratatel Limited was rebranded and renamed to JCurve Solutions Ltd.

This followed the acquisition of JCurve Solutions Pty Ltd by its' subsidiary JCurve Business Software Pty Ltd. In June 2014, the Company acquired The Full Circle Group Pty Ltd, which has subsequently been added to the suite of solutions offered by the JTEL division.

The financial performance of the Company has improved during the financial year 2014, primarily due to the costs associated with the two acquisitions and staff redundancies resulting from an organisational restructure of the business operations. In addition, significant investment (non-recurring) was directed to product development and marketing activities around the rebranding of the Company, to expedite its growth strategy.

The Company's operations are structured into two divisions; telecommunications (JTEL/Full Circle) and business management software (JCurve). Under the leadership of two General Managers, each business unit is focused on increasing market share, revenues and enhanced financial performance over the next 12 months.

Operating results for the year

The financial performance of the company improved with EBITDA of $1.2 million loss from continuing operations for year ended 30 June 2014 being recorded compared to 2013 EBITDA which was $1.5m loss. The net loss before tax from continuing operations was $1.3m ($1.4m net loss for the year after tax) for the 2014 financial year against a $2.4m net loss before tax from continuing operations ($2.5m net loss for the year after tax) for the previous reporting period.

This financial result has been achieved during a period of substantial change being undertaken throughout the Company's overall activities and was affected by the impairment of some Company intangible assets, being $487,604 (2013: $2,551,047).

The Company's Board of Directors are confident that the underlying business performance is solid and with the recent acquisitions and restructure, very well placed strategically to deliver a strong, enhanced financial performance, in order to increase shareholder value through its premium cloud computing product offerings.

DIRECTORS' REPORT (continued)

Shareholder returns

No dividends have been paid to shareholders since the start of the financial year.

Risk management

The Board is committed to the identification and quantification of risk. Directors receive regular reports on areas where significant business risk or exposure concentrations may exist and on the management of those risks.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report.

Significant events after balance date

On 21 July 2014, Mr Nihal Gupta resigned as Non-Executive Chairman and Mr Graham Baillie was appointed to the position of Executive Chairman (Refer to Note 20 for details). James Butchers, Chief Financial Officer ceased employment with JCurve Solutions on 5 August 2014.

Likely developments and expected results

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

Environmental legislation

The consolidated entity is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as directors and officers. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

JCurve has not indemnified or agreed to indemnify an auditor of the Company or any related body corporate against liability incurred as an auditor.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for directors and executives of JCurve Solutions Limited (the "Company").

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

– set competitive remuneration packages to attract and retain high calibre employees;
– link executive rewards to shareholder value creation; and
– establish appropriate performance hurdles for variable executive remuneration.

Remuneration committee

The Remuneration Committee role which is currently undertaken by the full Board of directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive management team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's constitution adopted at the AGM on 9 November 2010 specifies that the aggregate remuneration of non-executive directors shall be a maximum of $400,000 per year, and can be varied by ordinary resolution of the shareholders in General Meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

The remuneration of non-executive directors for the year ended 30 June 2014 is detailed in Table 1 of this report.

Senior executive and executive director remuneration

Remuneration consists of fixed remuneration comprising base pay and benefits including superannuation.

This is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice if required.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The remuneration of key management personnel and company executives is detailed in Table 1 of this report.

Employment Contracts

Executive Chairman, Mr Graham Baillie, is employed under contract from 9 December 2013 and is paid on the basis of an annual salary of $280,000 including superannuation for an initial term of 2 years.

DIRECTORS' REPORT (continued)

Remuneration of key management personnel

Table1: Key Management Personnel remuneration for the year ended 30 June 2014: Directors

		Short-term employee benefits			Post employment	Equity	Total	
		Salary	Bonuses / Commission	Other short term benefits	Super-annuation	Options		Performance Related
		$	$	$	$	$	$	%
Directors								
G Baillie @	2013	91,257	-	-	8,213	-	99,470	-
Executive Chairman	2014	238,915	-	10,391	18,168	-	267,474	-
M Fairclough #	2013	68,758	-	75,000[(i)]	4,973	-	148,731	-
Director (non executive)	2014	20,000	-	37,500[(i)]	1,850	-	59,350	-
I Macliver ^	2013	62,083	-	-	5,588	-	67,671	-
Director (non executive)	2014	20,000	-	-	1,850	-	21,850	-
J Bond	2013	55,000	-	-	4,950	-	59,950	-
Director (non executive)	2014	58,030	-	-	5,368	-	63,398	-
C Gabriel	2013	-	-	-	-	-	-	-
Director (non executive)	2014	47,102	-	-	4,357	-	51,459	-
N Gupta +	2013	-	-	-	-	-	-	-
Director (non executive)	2014	69,970	-	20,000	5,085	-	95,055	-
Total Directors Fees	2013	277,098	-	75,000	23,724	-	375,822	-
Total Directors Fees	2014	454,017	-	67,891	36,678	-	558,586	-

@ Mr Baillie served as Non-Executive Chairman from 1 July 2013 to 9 December 2013. He was appointed Managing Director from 9 December 2013 to 30 June 2014, before returning to position of Executive Chairman in July 2014
 # resigned 31 October 2013
^ resigned 31 October 2013
+ Appointed 31 October 2013, Resigned 21 July 2014.
i The short term benefits are received through McKnight Holdings which is a trust trading as Gloucester Road Consulting whereby Michael Fairclough provides corporate consulting services.

DIRECTORS' REPORT (continued)

Remuneration of key management personnel (continued)

Table2: Key Management Personnel remuneration for the year ended 30 June 2014: Executives

		Short-term employee benefits			Post employment	Equity	Total	
		Salary $	Bonuses / Commission $	Other short term benefits $	Super-annuation $	Options $	$	Perfor mance Related %
Executives								
J Butchers *	2013	249,054	35,000	3,531	22,415	-	310,000	11
Chief Financial Officer	2014	261,828	10,000	3,531	17,775	-	293,134	4
J Slaiman	2013	220,175	2,979	-	19,816	-	242,970	1
General Manager MTN	2014	229,346	10,000	-	17,775	-	257,121	4
A Simmons	2013	-	-	-	-	-	-	-
General Manager JTEL	2014	9,000	-	-	833	-	9,833	-
M Thompson	2013	-	-	-	-	-	-	-
General Manager JCBS	2014	51,885	-	-	4,799	-	56,684	-
J Williams <	2013	108,934	-	-	6,300	-	115,234	-
Development Manager	2014	-	-	-	-	-	-	-
Total Executive Rem.	2013	578,163	37,979	3,531	48,531	-	668,204	6
Total Executive Rem.	2014	552,059	20,000	3,531	41,182	-	616,772	3

** resigned 5 August 2014*
< resigned 21 December 2012

Table3: Options granted as part of remuneration during the year ended 30 June 2014

	Value of options granted $	Value of options exercised $	Value of options lapsed $	Total value of options granted, exercised and lapsed $	Value of options included in remuneration for the year $	% remuneration consisting of options for the year
J Butchers	-	-	-	-	-	-
J Slaiman	-	-	-	-	-	-
M Thompson	-	-	-	-	-	-
A Simmons	-	-	-	-	-	-

For further details on options currently on issue, please refer to Note 16. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

DIRECTORS' REPORT (continued)

KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation options: Granted and vested during the year (Consolidated)

During the financial year no options were granted as equity compensation benefits under the long-term incentive plan to key executives which expired on 12 November 2012. No share options have been granted to the non-executive members of the Board of Directors under this scheme. For further details relating to the options, refer to Note 17.

(b) Option holdings of Key Management Personnel (Consolidated)

						Vested as at end of period	
30 June 2014	Balance at beginning of period	Granted as remune-ration	Options exercised	Net change Other #	Balance at end of period	Exercisable	Not Exercisable
Directors							
G Baillie	-	-	-	35,714,284	35,714,284	35,714,284	-
M Fairclough	-	-	-	-	-	-	-
I Macliver	-	-	-	-	-	-	-
J Bond	-	-	-	-	-	-	-
C Gabriel	-	-	-	-	-	-	-
N Gupta	-	-	-	-	-	-	-
Executives							
J Butchers	300,000	-	-	(300,000)	-	-	-
J Slaiman	-	-	-	-	-	-	-
A Simmons	-	-	-	-	-	-	-
M Thompson	-	-	-	-	-	-	-
Total	300,000	-	-	35,414,284	35,714,284	35,714,284	-

\# *Includes forfeitures, rights issue and balance on resignation*

						Vested as at end of period	
30 June 2013	Balance at beginning of period	Granted as remune-ration	Options exercised	Net change Other #	Balance at end of period	Exercisable	Not Exercisable
Directors							
G Baillie	-	-	-	-	-	-	-
M Fairclough	-	-	-	-	-	-	-
I Macliver	-	-	-	-	-	-	-
J Bond	-	-	-	-	-	-	-
Executives							
J Butchers	800,000	-	-	(500,000)	300,000	300,000	-
J Slaiman	500,000	-	-	(500,000)	-	-	-
J Williams	500,000	-	-	(500,000)	-	-	-
Total	1,800,000	-	-	(1,500,000)	300,000	300,000	-

\# *Includes forfeitures, rights issue and balance on resignation*

DIRECTORS' REPORT (continued)

KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(c) Shareholdings of Key Management Personnel (Consolidated)

Ordinary shares held in JCurve Solutions Limited (number)

30 June 2014	Balance 01 Jul 13	Granted as remuneration	On Exercise of Options	Net Change Other	Balance 30 Jun 14
Directors					
G Baillie	9,890,907	-	-	71,428,571	81,319,478
M Fairclough	14,048,877	-	-	(8,192,261)	5,856,616
I Macliver	6,064,020	-	-	(4,064,020)	2,000,000
J Bond	31,198,481	-	-	-	31,198,481
C Gabriel	-	-	-	-	-
N Gupta	-	-	-	4,064,020	4,064,020
Executives					
J Butchers	197,698	-	-	-	197,698
J Slaiman	100,333	-	-	-	100,333
A Simmons	-	-	-	6,380,943	6,380,943
M Thompson	-	-	-	-	-
Total	61,500,316	-	-	69,617,253	131,117,569

30 June 2013	Balance 01 Jul 12	Granted as remuneration	On Exercise of Options	Net Change Other	Balance 30 Jun 13
Directors					
G Baillie	9,890,907	-	-	-	9,890,907
M Fairclough	14,048,877	-	-	-	14,048,877
I Macliver	6,064,020	-	-	-	6,064,020
J Bond	31,198,481	-	-	-	31,198,481
Executives					
J Butchers	197,698	-	-	-	197,698
J Slaiman	100,333	-	-	-	100,333
J Williams	60,548	-	-	(60,548)	-
Total	61,560,864	-	-	(60,548)	61,500,316

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the company would have adopted if dealing at arm's length.

DIRECTORS' REPORT (continued)

KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

Transactions with Directors

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Purchases from Related Parties	**2014** **$**	**2013** **$**
Grange Consulting Group Pty Ltd		
Corporate Consultancy	42,000	5,000
Secretarial Services	107,100	107,100
	149,100	112,100
Taos Creative Pty Ltd		
Digital marketing & consulting	378,870	-
	378,870	-
Alive Mobile Pty Ltd		
Analysis & product development	95,000	-
	95,000	-

JCurve Solutions Limited former Director Mr Ian Macliver is the Managing Director of Grange Consulting Group Pty Ltd, which provided corporate advisory services to the consolidated entity amounting to $42,000 net of GST in 2014 (2013 $5,000).

The Company Secretary responsibilities are performed by Sarah Smith of Grange Consulting Group Pty Ltd. The company secretarial services provided by Grange Consulting include providing guidance on corporate compliance requirements pursuant to the Company's constitution, ASX Listing Rules and Corporations Act, assistance in drafting notices of meeting and announcements; Board documentation, and assistance with preparation of annual and half yearly financial reports. Company secretarial service fees for the year ended 30 June 2014 amounted to $107,100 (2013 $107,100) net of GST.

Chairman Graham Baillie's step-daughter Sam Brown is currently the majority shareholder and Director of Taos Creative Pty Ltd, which specialise in digital marketing & consulting services for business. The JCurve Solutions Group for the 2013-2014 Financial Year was provided with services from Taos Creative Pty Ltd amounting to $378,870 net of GST.

JCurve Solutions Limited Director Mr Chris Gabriel is the Chairman of Alive Mobile Group which provided analysis and re-design of JTEL product amounting to $95,000 net of GST in 2014.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings (Eligible to attend)	Directors' Meetings (Attended)	Audit & Risk Management Committee
Number of meetings held:	12		2
Number of meetings attended:			
I Macliver	3	3	1
M Fairclough	3	3	1
G Baillie	12	12	n/a
J Bond	12	12	1
C Gabriel	7	7	1
N Gupta	9	9	1

Proceedings on behalf of the company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 25 and forms part of this Directors' Report for the year ended 30 June 2014.

Non-Audit Services

There were no non-audit related activities carried out by the Company's auditors during the year ended 30 June 2014.

Signed in accordance with a resolution of the directors.

G Baillie
Chairman
Dated at PERTH this 29th day of August 2014

CORPORATE GOVERNANCE STATEMENT

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of JCurve Solutions Limited (**JCurve**). The Board supports a system of corporate governance to ensure that the management of JCurve is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments ("Corporate Governance Recommendations") where considered appropriate for a company of JCurve's size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Security Trading, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Company's corporate governance practises are summarised below and copies of Company's corporate governance policies are available on the Company's web site at www.jcurvesolutions.com.au.

All Corporate Governance Recommendations have been applied for the year ended 30 June 2014 unless set out below.

Board Charter

The Board considers that the essential responsibilities of the Directors are to oversee JCurve's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value.

The Board has established a charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The key responsibilities of the Board include:

- Establishing the goals (short, medium and long term) and strategy for the Company.
- Approving the annual strategic plan and major operating plans.
- Approving the annual operating budget.
- Reviewing and providing feedback on the performance of the Chief Executive Officer if appointed.
- Reviewing the performance of the Board, the individual directors and any Board committees
- Reviewing and approving the full-year financial statements and directors' report.
- Approving the annual report and notice of annual general meeting.

Board composition

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- The Board shall comprise at least 3 Directors, increasing where additional expertise is considered desirable in certain areas.
- The Chairman should be non-executive, however, at the current time, the Board considers that the Company is not of sufficient size, nor are its affairs of such complexity to require a non-executive Chairman.
- The Board should comprise a majority of non-executive Directors.
- Directors should bring characteristics which allow a mix of qualifications, skills and experience.

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.

The Board has established procedures for the selection and appointment of new Directors to the Board in line with the requirements of the Board Charter to ensure there is a formal and transparent procedure that promotes confidence and understanding in the process.

CORPORATE GOVERNANCE STATEMENT (continued)

Director Independence

A Director is only to be regarded as independent if the Director is independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of the Director's unfettered and independent judgement.

In considering whether a Director is independent, the Board considers guidance on independence set out in Corporate Governance Recommendation 2 (Box 2.1) and other facts, information and circumstances that the Board considers material.

The Board assesses the independence of each director in light of interests disclosed by them.

The assessment of whether a Director is considered independent (both from the perspective of the Company and the Director) is based on the following materiality thresholds:

- payments made by the Company to the Director or any of his associated entities for the provision of goods and/or services does not exceed 10% of the annual gross expenditure of the Company; or
- payments received by the Director for the provision of goods and/or services to the Company does not exceed 25% of the annual income or business turnover of the Director or his associated entities.

Having regard to the criteria impacting independence as outlined in Corporate Governance Recommendation 2 and the above materiality thresholds the following directors are considered to be independent: Mr Christopher Gabriel and Mr John Bond.

Performance Evaluation Procedures

The Board has established formal processes to review its own performance and the performance of individual directors, the committees of the Board and key executives, as necessary.

As part of the review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public companies, external professional advice (if considered necessary) and the aggregate amount of fees approved by shareholders and otherwise in accordance with the remuneration policies established by the Board.

Other issues examined in the review include the Board's interaction with management, the type of information provided to the Board by management and management performance in helping the Board meet its objectives.

Corporate Code of Conduct

A formal code of conduct for the Company applies to all directors and employees. The purpose of this Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

The Directors, managers and employees are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics and strive at all times to enhance the good reputation and performance of the Group by acting in the best interests of the Group, being responsible and accountable for their actions and observing the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Company has developed an extensive code of conduct which is encapsulated in the corporate governance policies and the Company's terms and conditions of employment. Conduct guidelines apply to all employees which address the values and vision of the Company, business ethics and protocol, policies and procedures, employee entitlements, responsibilities and expectations of both the Group and employees and compliance with relevant legal, shareholder and stakeholder obligations.

All employees have position descriptions that reinforce their duties, rights and responsibilities and all are required to participate in performance reviews to ensure the Company expectation is aligned with employee goals and key performance indicators. Actual performance is reviewed annually and, if necessary, more frequently. The Company encourages regular feedback, review and continuous improvement so as to maintain and enhance the desired corporate culture and standard of ethical behaviour.

Policy for Trading In Company Securities

Trading in the Company's securities by directors and employees is not permitted when they are in possession of unpublished price sensitive information. Any transactions undertaken must be notified to the Chairman in advance for approval before dealing in the Company's securities.

Directors, officers and employees must not buy, sell or subscribe for securities if they are in possession of 'inside information' (information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities). The Corporations Act 2001 provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Subject to the insider trading restrictions above, it is the Board's policy that Directors, officers and employees will not trade in the securities during the period of preparation of the quarterly, half yearly and annual financial results for release to ASX; the period of preparation of a disclosure document offering securities in the Company for release to ASX; and whilst in negotiations in respect to material acquisitions.

The Board's policy also reinforces the Directors' and Company's statutory obligations to notify the ASX of any dealing in the securities which results in a change in the relevant interests of a Director in the securities. As contemplated in the ASX listing rules, each Director provides notice of such dealings to the Company Secretary within three business days of any such dealing to enable the Company to comply with its corresponding obligation to notify the ASX.

Audit Committee

The Board has established a separate audit committee to advise and support the Board in carrying out its duties. Matters determined by the audit & risk management committee are submitted to the full Board as recommendations for Board consideration.

The current members of the audit committee are Mr Christopher Gabriel and Mr John Bond with the Chief Financial Officer and others invited to participate from time to time. The audit committee currently comprises 2 members. Both members of the audit committee are independent non-executive directors.

Details of the qualifications of committee members and attendance at committee meetings are set out in the Directors' Report.

The audit committee operates in accordance with a written charter. The audit committee oversees risk management, accounting and reporting practices, and is also responsible for:

- co-ordination and appraisal of the quality of the audits conducted by the Company's external auditor;
- determination of the independence and effectiveness of the external auditor;
- assessment of whether non-audit services have the potential to impair the independence of the external auditor;
- reviewing the adequacy of the reporting and accounting controls of the Company;
- review the effectiveness of the compliance function in general; and
- assessment of financial risks arising from the Company's operations and considering the adequacy of measures taken to moderate those risks.

Corporate reporting

The Chairman and Chief Financial Officer provide assurance to the Board that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks. In addition, reporting of the management of the Company's material business risks forms part of routine management reporting to the Board and review by the audit committee.

CORPORATE GOVERNANCE STATEMENT (continued)

Continuous Disclosure and Shareholder Communication

The Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. The Board has also adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings.

The Chairman and the Company Secretary have been nominated as the Company's primary disclosure officers. All information released to the ASX is posted on the Company's web-site immediately after it is disclosed to the ASX. When analysts are briefed on aspects on the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's web-site.

JCurve is committed to providing shareholders and stakeholders with extensive, transparent, accessible and timely communications on the Company's activities, strategy and performance. In addition, the Company makes all market announcements, media briefings, details of shareholders meetings, press releases and financial reports available on the Company's website www.JCurve.com.au.

Risk Management

The Company recognises the need to pro-actively manage the risks and opportunities associated with both day-to-day operations of the organisation and its longer term strategic objectives and has developed a risk management policy. The risk management policy outlines the roles and responsibilities of the Board and management in respect to risk oversight and management and the Company's process of risk management and internal compliance and controls.

The Board is responsible for the establishment, oversight and approval of the Company's risk management strategy, internal compliance and controls. The Board is also responsible for defining the "risk appetite" of the Company so that the strategic direction of the Company can be aligned with its risk management policy.

The Company has the following risk management controls embedded in the company's management and reporting system:

- a comprehensive annual insurance program;
- strategic and operational business plans; and
- annual budgeting and monthly reporting systems which enable the monitoring of performance against expected targets and the evaluation of trends.

Remuneration and Nomination

The Board has established a Remuneration and Nomination Committee Charter which outlines the overall strategies in respect to director and executive remuneration and the processes surrounding new Board appointments to ensure an appropriate mix of skills and experience to properly fulfil its responsibilities.

As outlined below, given the current structure of the Board, the role of the Remuneration and Nomination Committee is undertaken by the full Board and includes reviewing and providing recommendations in respect to:

- remuneration packages of key executives and directors;
- incentive policies, incentive plans and other employee benefit programs;
- recruitment, retention and termination policies;
- procedures for senior management;
- superannuation arrangements;
- succession plans of key executives (other than executive directors) and ensuring the performance of key executives is reviewed at least annually;
- those aspects of the Company's remuneration policies and packages, including equity-based incentives, which would be subject to shareholder approval; and
- nominations for potential director candidates.

CORPORATE GOVERNANCE STATEMENT (continued)

Remuneration and Nomination (continued)

In line with Corporate Governance Recommendations the Company distinguishes between the remuneration of non-executive directors and senior executives. When determining non-executive director remuneration the Board will take into account recommendations that:

- Non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity. They should not normally participate in schemes designed for the remuneration of executives;
- Non-executive directors should not receive options or bonus payments; and
- Non-executive directors should not be provided with retirement benefits other than superannuation.

JCurve's current remuneration practices are set to enable the company to attract and retain highly talented and motivated directors, executive management, and employees. The Remuneration Report details and discloses the annual remuneration for key management personnel and fees paid to non-executive directors. Non-executive directors are paid their fees in cash, including statutory superannuation contributions. They do not receive any bonus payments nor are they entitled to any payment upon retirement or resignation.

Corporate Governance Compliance Schedule

The table below identifies the ASX Corporate Governance Principles and Recommendations (**Principles**) and whether or not the Company has complied with the recommendations during the reporting period:

Recommendation		Complied	Note
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	✓	
1.2	Disclose the process for evaluating the performance of senior executives.	✓	
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	✓	
2.1	A majority of the board should be independent directors.	✓	
2.2	The chair should be an independent director.	✕	Note 1
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	✓	Note 2
2.4	The board should establish a nomination committee.	✕	Note 3
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	✓	
2.6	Provide information indicated in the Guide to reporting on Principle 2.	✓	
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	✕	Note 4
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	✕	Note 4
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✓	Note 4
3.5	Provide information indicated in the Guide to reporting on Principle 3.	✓	

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Compliance Schedule (continued)

	Recommendation	Complied	Note
4.1	Establish an audit committee.	✓	
4.2	Structure the audit committee so that it: • consist only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; and • has at least three members.	✓	Note 5
4.3	The audit committee to have a formal charter.	✓	
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	✓	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	✓	
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	✓	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	✓	
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	✓	
7.1	Establish policies for oversight and management of material business risks and disclose a summary of those policies.	✓	
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. Disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	✓	
7.3	Disclose whether assurance has been received from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	Note 2
7.4	Provide information indicated in the Guide to reporting on Principle 7.	✓	
8.1	Establish a remuneration committee.	✕	Note 6
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	✓	
8.3	Provide the information indicated in the Guide to reporting on Principle 8.	✓	

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Compliance Schedule (continued)

Note 1 Recommendation 2.2 – The chair should be an independent director.

Recommendation 2.3 of the Principles states the chair should be an independent director.

Notification of Departure: The Chair is an Executive Director

Explanation of Departure: Where practical, the chair should be a non-executive Director. For the financial period from 1 July 2013 to 30 June 2014, the chair was a non-executive Director. On 21 July 2014, the Managing Director assumed the role of Executive Chairman following the sudden resignation of the non-executive Chairman. The Board considers that the Company is not of sufficient size, nor are its affairs of such complexity to require an independent Chairman. This will be reviewed as the Company develops.

Note 2 Recommendation 2.3 – Roles of chair and chief executive officer

Recommendation 2.3 of the Principles states that role of the chief executive officer and the chair should not be exercised by the same person. Former Managing Director Mr Graham Baillie assumed the role of Executive Chairman on 21 July 2014 following the resignation of the non-executive Chairman. The Company has commenced the search for a chief executive officer and intends to appoint a suitable replacement as soon as practicable.

Note 3: Recommendation 2.4 – Nomination Committee

Recommendation 2.4 of the Principles states that the board should establish a nomination committee that should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

The Board does not have a separate nomination committee. The Board, as a whole, serves as a nomination committee and acts in accordance with the Nomination and Remuneration Committee Charter (**Charter**). The Board does not believe any efficiency or other benefits would currently be gained by establishing a separate nomination committee.

The responsibility for the selection of potential directors lies with the full Board of the Company. A separate nomination committee has not been constituted because the Board considers that the size of the current full Board permits it to act as the nomination committee and to regularly review membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans and an evaluation of the Board's performance and consideration of appointments and approvals.

When a Board vacancy occurs, the Board acting as the nomination committee identifies the particular skills, experience and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria.

Directors are not appointed for specific terms, as their periods in office are regularly reviewed as part of annual performance evaluation processes and they are subject to re-election every three (3) years.

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Compliance Schedule (continued)

Note 4: The Principles recommends that companies should actively promote ethical and responsible decision-making.

(a) Recommendation 3.2 – Diversity Policy

Recommendation 3.2 states that companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

Under the Company's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation.

The Board does not consider that at this stage it is appropriate to specifically adopt a policy specifically addressing diversity, but will consider adopting a policy as the company increases in size. Due to the small scale of the Company's operations and the limited number of employees, the Company has not yet established a Diversity Policy. However, as the Company develops the Board will consider adopting such a policy.

(b) Recommendation 3.3 – Measurable Objectives for Achieving Gender Diversity

Recommendation 3.3 of the Principles states that the board should disclose in each annual report the measurable objective for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Given the size of the Company, the Company has not yet set measurable objectives for achieving gender diversity. In addition, the Board will review progress against any objectives identified on an annual basis.

(c) Recommendation 3.4 – Annual Report Disclosure

Recommendation 3.4 of the Principles states that the board should disclose in each annual report:

- the proportion of women employees in the whole organisation;
- women in senior executive positions; and
- women on the board.

Given the size of the Board and the Company, the Board considers that this function is efficiently achieved with Ms Sarah Smith as the Company Secretary holding a senior position in the Company. The proportion of women employees in the whole organisation is 18, representing 32.7% of total employees within the organisation, and there are currently 2 women in senior executive positions within the Company.

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Compliance Schedule (continued)

Note 5: Recommendation 4.1 – Audit Committee

The Corporate Governance Recommendations recommend that companies should have a structure to independently verify and safeguard the integrity of their financial reporting. Recommendation 4.1 of the Principles states that the board should establish an audit committee.

Recommendations 4.2 of the Principles states that the audit committee be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the board; and
- has at least three members.

The Company has established an Audit Committee ("Committee") which operates in accordance with a written charter. The current members of the Committee are Mr Christopher Gabriel and Mr John Bond with other board members and the Chief Financial Officer participating from time to time by invitation.

Due to the current structure of the Board, membership of the Committee does not meet all of the recommended guidelines for composition of an audit committee. The Committee does not have at least 3 non-executive members.

Given the size of the Board and the Company, the Board considers that this function is efficiently achieved by a committee of 2 non-executive, independent members reporting to the full Board. In circumstances where the size of the Board is expanded as a result of the growth of the Company, the Board will reconsider the composition of the Committee to ensure compliance with the Principles where possible.

Note 6: Recommendation 8.1 – Remuneration Committee

Recommendation 8.1 of the Principles states that the board should establish a remuneration committee that should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

The directors consider that the current size of the Board of the Company does not warrant the establishment of a separate remuneration committee. The Board considers that it is more appropriate that it set aside time at Board meetings to address matters that would normally fall to the remuneration committee. The full Board will consider the functions normally undertaken by a remuneration committee in accordance with the Charter. In addition all matters of remuneration will continue to be determined in accordance with the Corporations Act requirements, especially in relation to related party transactions. That is, no director will participate in any deliberations regarding their own remuneration or related issues.

In circumstances where the size of the Board is expanded as a result of the growth or complexity of the Company, the establishment of separate Board committees will be reconsidered.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of JCurve Solutions Limited for the year ended 30 June 2014, 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.

Perth, Western Australia
29 August 2014

N G Neill
Partner, HLB Mann Judd

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated ($)	
	Notes	2014	2013
Revenue	2	11,637,193	10,139,950
Cost of goods sold		(3,936,476)	(3,204,721)
Gross profit		7,700,717	6,935,229
Employee benefits expense		(4,380,889)	(3,150,310)
Other employee related expense		(609,718)	(475,531)
Communications expense		(114,612)	(232,474)
Advertising and marketing		(336,737)	(49,165)
Professional fees		(1,172,714)	(1,035,779)
Occupation expense		(400,275)	(454,897)
Listing expense		(52,439)	(28,827)
Depreciation and amortisation expense		(113,236)	(989,004)
Impairment expense	12	(487,604)	(2,551,047)
Finance costs		(61,677)	(7,210)
Product development costs		(940,234)	-
Loss on disposal of fixed asset		(6,015)	-
Other expenses		(342,122)	(360,866)
Loss before income tax		(1,317,555)	(2,399,881)
Income tax benefit/(expense)	3	(107,241)	(136,652)
Net loss for the year		(1,424,796)	(2,536,533)
Loss after tax from discontinued operation	22	-	(583,926)
Net loss for the period		(1,424,796)	(3,120,459)
Other comprehensive income		-	-
Total comprehensive result for the year		(1,424,796)	(3,120,459)
Basic loss per share (cents per share)	5	(0.60)	(1.63)
Basic loss per share from continuing operations (cents per share)	5	(0.60)	(1.33)
Diluted loss per share (cents per share)	5	(0.60)	(1.63)
Diluted loss per share from continuing operations (cents per share)	5	(0.60)	(1.33)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	Consolidated ($) 2014	Consolidated ($) 2013
Assets			
Current Assets			
Cash and cash equivalents	6	2,765,265	3,606,727
Trade and other receivables	7	2,719,797	2,118,135
Other current assets	8	628,071	48,260
Total Current Assets		6,113,133	5,773,122
Non-Current Assets			
Property, plant and equipment	10	115,694	91,618
Intangible assets	11	10,570,897	875,000
Other financial assets	9	31,856	99,123
Deferred tax asset	3	217,612	334,956
Total Non-Current Assets		10,936,059	1,400,697
Total Assets		17,049,192	7,173,819
Liabilities			
Current Liabilities			
Trade and other payables	13	5,677,604	2,749,502
Provisions	14	41,781	42,543
Current tax liabilities		21,237	10,008
Total Current Liabilities		5,740,622	2,802,053
Non-Current Liabilities			
Provisions	14	172,021	91,528
Total Non-Current Liabilities		172,021	91,528
Total Liabilities		5,912,643	2,893,581
Net Assets		11,136,549	4,280,238
Equity			
Share capital	15	17,588,248	10,879,285
Reserves	15	1,723,014	150,870
Accumulated losses		(8,174,713)	(6,749,917)
Total Equity		11,136,549	4,280,238

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated ($) Inflows / (Outflows) 2014	2013
Cash flows from operating activities			
Receipts from customers		11,878,637	11,344,504
Payments to suppliers and employees		(12,315,856)	(10,550,209)
Interest received		68,881	77,594
Interest paid		(61,677)	(7,210)
Income tax received/(paid)		80,389	1,477
Net cash (used in)/provided by operating activities	6	(349,626)	866,156
Cash flows (used in)/from investing activities			
Purchase of non-current assets		(60,040)	(56,959)
(Payment)/proceeds for other investments		(2,753,760)	227,000
Net (used in)/cash provided by investing activities		(2,813,800)	170,041
Cash flows from financing activities			
Proceeds from issue of shares		2,508,601	-
Share issue costs paid		(186,637)	-
Net cash provided by financing activities		2,321,964	-
Net (decrease)/increase in cash and cash equivalents		(841,462)	1,036,197
Cash and cash equivalents at 1 July 2013		3,606,727	2,570,530
Cash and cash equivalents at 30 June 2014		2,765,265	3,606,727

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	Share Capital	Accumulated Losses	Equity Benefits Reserve	Total
	$	$	$	$
As at 1 July 2012	10,879,285	(3,629,458)	150,870	7,400,697
Loss for the year	-	(2,742,879)	-	(2,742,879)
Income tax benefit	-	(377,580)	-	(377,580)
	10,879,285	(6,749,917)	150,870	4,280,238
Shares issued	-	-	-	-
Share issue costs	-	-	-	-
Balance at 30 June 2013	10,879,285	(6,749,917)	150,870	4,280,238
As at 1 July 2013	10,879,285	(6,749,917)	150,870	4,280,238
Loss for the year	-	(1,317,555)	-	(1,317,555)
Income tax expense	-	(107,241)	-	(107,241)
Recognition of equity based payment	-	-	1,572,144	1,572,144
	10,879,285	(8,174,713)	1,723,014	4,427,586
Shares issued	6,635,386	-	-	6,635,386
Deferred consideration (unissued shares)	205,357			205,357
Share issue costs	(131,780)	-	-	(131,780)
Balance at 30 June 2014	17,588,248	(8,174,713)	1,723,014	11,136,549

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The accounting policies detailed below have been consistently applied to all years unless otherwise stated. The financial statements are for the consolidated entity consisting of JCurve Solutions Limited and its subsidiaries. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The company is a listed public company, incorporated in Australia and also operating in South Africa.

(b) Adoption of new and revised standards

In the year ended 30 June 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

The Directors have also reviewed all new Standards and Interpretations that have been issued but not yet effective for the year ended 30 June 2014. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 29 August 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of JCurve Solutions Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives:

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 13.

(ii) 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 an external valuer using a Black - Scholes model, using the assumptions as detailed in the notes.

(iii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over future years together with future tax planning strategies.

(iv) Identification of intangible assets on acquisition

On 31 October 2013, JCurve Business Software Pty Ltd, a subsidiary of JCurve Solutions Limited acquired the assets of JCurve Solutions Pty Ltd.

The Netsuite licence which exclusively allows JCurve Solutions to sell the small business version of business software from Netsuite Inc of USA (Netsuite) in the Australia New Zealand (ANZ) region was valued at $3,100,000 as per an independent valuation report commissioned by the company. The JCurve Wizard product which allows potential customers to trial the business software and then purchase online was valued at $500,000, based upon product development costs at market rates.

For the calculation of the value of goodwill please refer to Note 23.

(f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of JCurve Solutions Limited.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Subscription revenue

Subscription revenue comprises the recurring monthly fee from customers who subscribe to JCurve software services. Customers are invoiced annually in advance, with a 12 month contractual term. Revenue is recognised as the services are provided to the customer. Revenues that are not yet recognised at year end are recognised in the Statements of Financial Position as unearned income and included within current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue Recognition (continued)

(iii) Rendering of services

Revenue from the rendering of services is recognised upon delivery of the service to the customer.

(iv) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

(i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs - refer Note 1 (h).

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(o) Property, plant & equipment and depreciation & amortisation

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Depreciation is calculated on a straight line basis over the estimated useful life of the assets.

Leasehold improvements are amortised over the period of the lease or the estimated useful life, whichever is the shorter, using the straight-line method.

The following estimated useful lives are used in the calculation of depreciation and amortisation:

Plant and equipment	2 – 14 years
Leasehold improvements	1 – 6 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Property, plant & equipment and depreciation & amortisation (continued)

(ii) De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(p) Investments in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised on the consolidated statement of financial position and adjusted thereafter to recognised the Groups' share of the profit or loss in other comprehensive income of the associate if joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceased to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised I other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities., the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Investments in associates and joint ventures (continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassified to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and loss resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(q) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interests a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group’s interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group’s primary or the Group’s secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(s) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Intangible assets (continued)

Research and development costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.
A summary of the policies applied to the Group's intangible assets follows. These policies are consistent with those of the previous financial year unless otherwise stated.

Development Costs

Impairment testing

Impairment testing is conducted annually for assets not yet available for use and more frequently when an indication of impairment exists. The amortisation method is reviewed at each financial year-end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(v) Employee benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date, They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(w) Share-based transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes model, further details of which are given in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Share-based transactions (continued)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of JCurve Solutions Limited (market conditions) if applicable.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(x) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(y) Loss per share

Basic loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Foreign currency translation

Both the functional and presentation currency of JCurve Solutions Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: REVENUES AND EXPENSES FROM CONTINUING OPERATIONS

	Consolidated ($)	
	2014	**2013**
(a) Revenue		
Telecommunications expense management	4,926,884	4,940,481
MTN South Africa	1,423,839	826,866
Training	4,970	2,500
IBM software licences – new sales	229,244	218,830
IBM software licences & maintenance renewals	1,938,101	2,857,717
Computer services & subscriptions	843,398	1,214,007
JCurve cloud software & solutions	2,193,400	-
Interest income	68,881	73,321
Other income	8,476	6,228
	11,637,193	10,139,950
(b) Expenses		
Interest expense	61,677	7,210
Depreciation of non-current assets	63,236	71,065
Operating lease rental expense: minimum lease payments	302,635	388,341
Amortisation of intangibles	50,000	917,939
Directors' Fees	558,586	375,822
Consultancy Fees	396,729	508,127

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: INCOME TAX

	Consolidated ($)	
	2014	2013
Income tax recognised in profit or loss		
The major components of tax expense are:		
Current tax expense	-	-
Origination and reversal of temporary differences	107,241	377,580
Total tax (benefit)/expense	107,241	377,580
Attributable to:		
Continuing operations	107,241	136,652
Discountinued operations	-	240,928
The prima facie income tax (benefit)/expense on pre-tax accounting (loss)/profit from continuing operations reconciles to the income tax (benefit)/expense in the financial statements as follows:		
Accounting loss before tax	(1,317,555)	(2,399,881)
Income tax benefit calculated at 30%	(395,266)	(719,965)
Deferred tax expense relating to the origination and reversal of temporary differences	439,386	94,652
Goodwill impairment	146,281	765,314
Non-deductible expenses	25,610	15,329
Share issue expenses – deductible	(29,649)	(18,678)
Research and development tax incentive	(79,121)	-
Income tax (benefit)/expense reported in the Statement of Comprehensive Income	107,241	136,652
Net Deferred Tax Asset		
Analysis of deferred tax assets:		
Tax losses available to offset against future taxable income *(i)*	5,922	215,173
Accruals and provisions	211,690	120,672
	217,612	335,845
Analysis of deferred tax liabilities:		
Capitalised research and development	-	-
Prepayments	-	(889)
	-	(889)
Net Deferred Tax Asset	217,612	334,956

(i) The balance of unrecouped tax losses that have not been recognised in the Financial Statements amount to $1,969,334 (2013: $1,101,824).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The Board of Directors of JCurve Solutions Limited reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. The Group operates predominantly in one business and geographical segment being the software development and software solutions industry providing services for corporate and government clientele predominately throughout Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTE 5: LOSS PER SHARE

	Consolidated	
	2014	**2013**
	Cents per share	**Cents per share**
Basic loss per share	(0.60)	(1.63)
Basic loss per share from continuing operations	(0.60)	(1.33)
Diluted loss per share	(0.60)	(1.63)
Diluted loss per share from continuing operations	(0.60)	(1.33)
	$	**$**
Basic loss from operations	(1,424,796)	(3,120,459)
Loss from continuing operations	(1,424,796)	(2,536,533)
	No.	**No.**
Weighted average number of ordinary shares for the purposes of **basic loss** per share	237,460,160	191,077,728
Weighted average number of ordinary shares for the purposes of **diluted loss** per share:	237,460,160	191,077,728

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated ($)	
	2014	2013
Cash at bank and on hand	2,765,265	3,606,727
	2,765,265	3,606,727

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates

At 30 June 2014, the Group has no committed borrowing facilities.

Reconciliation of (loss)/profit for the year after tax to net cash flows from operating activities		
(Loss)/profit for the year	(1,424,796)	(3,120,459)
Non Cash flows in operating (loss)/profit:		
Depreciation and amortisation from continuing operations	113,236	989,004
Depreciation and amortisation from discontinued operations	-	3,960
Impairment from continuing operations	487,604	2,551,047
Impairment from discontinued operations	-	170,342
Loss on disposal of fixed assets	6,015	-
Profit on disposal of Softlog	-	(111,913)
(Increase)/decrease in assets:		
Current receivables	(318,870)	644,335
Current inventories	-	561
Non-current receivables		
Other financial assets	81,850	68,451
Deferred tax assets	175,133	370,153
Increase/(decrease) in liabilities:		
Current payables	458,221	(642,373)
Current tax provision	11,229	(39,059)
Provisions	60,752	(17,893)
Net cash from operating activities	(349,626)	866,156

NOTE 7: TRADE AND OTHER RECEIVABLES

Current:		
Trade receivables *(i)*	2,625,764	2,075,660
Allowance for doubtful debts	(27,575)	(22,985)
Accrued revenue	121,608	65,460
	2,719,797	2,118,135

(i) the average credit period on sales of goods and rendering of services is 30 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. Refer to note 18 for ageing of receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 8: OTHER CURRENT ASSETS

	Consolidated ($) 2014	Consolidated ($) 2013
Prepayments	628,071	48,260
	628,071	48,260

NOTE 9: OTHER FINANCIAL ASSETS

	2014	2013
Security Deposits	31,856	99,123
	31,856	99,123

NOTE 10: PLANT AND EQUIPMENT

	2014	2013
Plant and equipment, at cost	785,058	693,657
Less accumulated depreciation	(681,482)	(613,703)
Net carrying amount	103,576	79,954
Leasehold improvements, at cost	68,104	58,923
Less accumulated depreciation	(55,986)	(47,259)
Net carrying amount	12,118	11,664
Total net carrying amount	115,694	91,618

Reconciliations: Consolidated

	Plant & Equipment $	Leasehold Improvements $	Total $
Movements:			
Net carrying amounts as at 30 June 2012	142,703	3,797	146,500
De-recognition of assets of Softlog Systems	(13,272)	-	(13,272)
Additions	23,479	13,804	37,283
Depreciation charges	(72,956)	(5,937)	(78,893)
Net carrying amounts as at 30 June 2013	79,954	11,664	91,618
Disposals	(7,565)	-	(7,565)
Additions	85,696	9,181	94,877
Depreciation charges	(54,509)	(8,727)	(63,236)
Net carrying amounts as at 30 June 2014	103,576	12,118	115,694

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11: INTANGIBLE ASSETS

Consolidated	Software Development, Licences & Other Intangibles	Goodwill	Total
	$	$	$
Year ended 30 June 2013			
At 1 July 2012, net of accumulated amortisation and impairment	894,396	4,072,052	4,966,448
Additions	17,607	-	17,607
Disposal of investment	-	(646,005)	(646,005)
Amortisation charge	(912,003)	-	(912,003)
Impairment charge	-	(2,551,047)	(2,551,047)
At 30 June 2013, net of accumulated amortisation and impairment	-	875,000	875,000
Year ended 30 June 2014			
At 1 July 2013, net of accumulated amortisation and impairment	-	875,000	875,000
Additions	3,603,396	6,630,105	10,233,501
Impairment charge	(50,000)	(487,604)	(537,604)
At 30 June 2014, net of accumulated amortisation and impairment	3,553,396	7,017,501	10,570,897

In-house developed software is expected to have an estimated useful life of ten years following commercialisation.

Goodwill is subject to annual impairment testing (see Note 12).

An impairment loss of $487,604 (2013: $2,551,047) was recognised for continuing operations in the 2014 financial year. The impairment write off charge was for $387,604 Phoneware Goodwill due to Phoneware's continued migration plan to move customers to JTEL and $100,000 to write off the goodwill attached to the acquisition of FleetManager®.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES

Goodwill acquired through business combinations has been allocated to 5 individual cash generating units **(CGU)** for impairment testing as follows:

- FleetManager®
- Phoneware
- Resource
- JCurve Business Software
- The Full Circle Group

FleetManager®

FleetManager®'s Goodwill has been impaired by $100,000 at 30 June 2014 with the acquisition of The Full Circle Group and the planned merger of the FleetManager platform with the The Full Circle Group platform.

FleetManager®'s original capitalised research and development was commercialised as a 10 year project and with a useful life of 10 years. However this project has now finished and a new FleetManager® research and development project based on a complete site rebuild commenced on 1 July 2013.

The life of the original FleetManager®'s research and development has effectively been reduced from 10 years to 7 years. Accelerated amortisation of $660,774 for the remaining 3 years was booked in the accounts for year ended 30 June 2013 in addition to $251,229 for amortisation for year 7 of the FleetManager® original research and development project. Expenditure of development on this project for the 2013 year had been $17,607.

Phoneware

The recoverable amount of the Phoneware unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a 4 year period.

The discount rate applied to cash flow projections, including a factor for risk, is 12.00% (2013: 12.25%). Phoneware has an impairment of $387,604 (2013: $1,843,217) compared to the original goodwill of Phoneware of $2,618,217 based on the detailed discounted cash flows for the next 2 years and Phoneware's migration plan to move customers to FleetManager®. Phoneware's goodwill was written down to $387,396 as at 30 June 2014 (2013: $775,000).

Resource

The recoverable amount of the Resource unit is also determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a 2 year period.

The discount rate applied to the cash flow projections, including a factor for risk, is 12.00% (2013: 12.25%).

For the financial year ending 30 June 2013, Resource Systems original goodwill of $707,830 is impaired on the basis of detailed discounted cash flow statements completed for the next 2 years and the softening of software sales, particularly in Western Australia where the economy is slowing due to transition underway in the mining sector.

JCurve Business Software

The net assets include $3.1 million for Netsuite reseller agreement and $500k for installation Wizard which were both taken up at fair value on acquisition. The JCurve Wizard will be amortised over its useful life of 5 years commencing 1 January 2014, with amortisation charge of $50k for 2014 financial year. In addition to the identifiable assets previously mentioned, Goodwill of $4,007,008 has been recognised in respect of the JCurve acquisition.

In accordance with AASB136, the Directors are not required to complete a full assessment of the Impairment of Goodwill until December 2014, being 12 months from the date the asset was recorded. At balance date, the Directors have reviewed key indicators which may indicate that the asset is impaired. On this basis the directors are satisfied that there is no reason to believe that the Goodwill in respect of JCurve Business Software is impaired as at 30 June 2014.

The Full Circle Group

Goodwill of $2,623,097 was recorded on the acquisition of the Full Circle Group which occurred on 17 June 2014 Given this acquisition occurred just prior to end of financial year there has been no opportunity for the economic benefits to arise and no reason to consider that the intangibles acquired being Goodwill and Intellectual Property, are impaired.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12: IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES WITH INDEFINITE LIVES (continued)

Carrying amount of intangibles allocated to each of the cash generating units

	Consolidated ($)					
	FleetManager	Phoneware	Full Circle	JCurve Business Software	Resource	Total
At 30 June 2014						
Carrying amount of goodwill	-	387,396	2,623,097	4,007,008	-	7,017,501
Carrying amount of developed software, licences & other intangibles	-	-	3,396	3,550,000	-	3,553,396
Total	-	387,396	2,626,493	7,557,008	-	10,570,897
At 30 June 2013						
Carrying amount of goodwill	100,000	775,000	-	-	-	875,000
Carrying amount of developed software	-	-	-	-	-	-
Total	100,000	775,000	-	-	-	875,000

Key assumptions used in value calculations for 30 June 2014 and 30 June 2013

The following describes each key assumption on which management has based its cash flow projections when determining the value in use of all the cash generating units.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements. Thus, values assigned to gross margins reflect past experience, except for efficiency improvements.

Cash rate — a base rate of 2.50% (2013: 2.75%) as per the Reserve Bank of Australia has been used.

Risk factor — an additional amount of 9.5% has been factored for general business risk.

NOTE 13: TRADE AND OTHER PAYABLES

	Consolidated ($)	
	2014	2013
Current:		
Trade payables (i)	1,331,321	1,404,350
Other payables	424,806	199,705
Annual leave	212,083	124,615
Accrued expenses	750,291	292,130
Unearned Income	2,959,103	728,702
	5,677,604	2,749,502

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the effective interest rate and credit risk of current payables is set out in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: PROVISIONS

	Consolidated ($)	
	2014	2013
	$	$
Current:		
Provision for long service leave	41,781	42,543
Non-current:		
Provision for long service leave	172,021	91,528
	213,802	134,071

NOTE 15: SHARE CAPITAL AND RESERVES

Ordinary shares issued and fully paid (i)	17,382,891	10,879,285
Unissued shares (ii)	205,357	-
	17,588,248	10,879,285

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

Movement in ordinary shares on issue	**No.**	**$**
At 1 July 2012	191,077,728	10,879,285
Shares issued	-	-
At 30 June 2013	191,077,728	10,879,285
Shares issued	136,779,172	6,635,386
Share issue costs	-	(186,637)
Related income tax	-	54,857
At 30 June 2014	327,856,900	17,382,891

(ii) Movement in unissued shares

At 1 July 2013	-	-
Deferred consideration	4,464,285	205,357
At 30 June 2014	4,464,285	205,357

Share options

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its' subsidiary JCurve Business Software Pty Ltd. Refer Note 23.

Reserves	**2014**	**2013**
	$	**$**
Balance 1 July 2013	150,870	150,870
Equity benefits reserve – options issued to director	1,572,144	-
Balance 30 June 2014	1,723,014	150,870

Nature and purpose of reserves

Employee Equity benefits reserve

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to Note 16 for further details of the plan.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16: SHARE BASED PAYMENT PLANS

Employee Share Option Plan

The Employee Share Option Scheme which expired on 12 November 2012 provided for employees and executives to receive options over ordinary shares for no consideration. Each option is convertible to one ordinary share. There are no voting rights or dividend rights attached to unissued ordinary shares.

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its' subsidiary JCurve Business Software Pty Ltd. Refer Note 23.

The contractual life of each option granted is between 3 and 5 years. There are no cash settlement alternatives.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 16.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2014		2013	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at the beginning of the year	800,000	$0.11	4,100,000	$0.11
Expired during the year	(800,000)	$0.11	(3,300,000)	$0.11
Granted during the year	35,714,284	$0.000001	-	-
Outstanding at the end of the year	35,714,284	$0.000001	800,000	$0.11
Exercisable at the end of the year	35,714,284		800,000	

The weighted average remaining contractual life for the share options outstanding as at 30 June 2014 is between 3 and 5 years (2013: 0 and 1 years).

The range of exercise prices for options outstanding at the end of the year was $0.000001 (2013: $0.10 - $0.15)

The average exercise price of options expired during the year was $0.11.

The outstanding balance as at 30 June 2014 is represented by:

- 8,928,571 options which automatically vest when the share price reaches 7.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2016;
- 8,928,571 options which automatically vest when the share price reaches 10c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 options which automatically vest when the share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018;
- 8,928,571 options which automatically vest when the share price reaches 15c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17: FINANCIAL INSTRUMENTS

(a) Capital risk management

Capital risk is managed and monitored by liaising with banks and communicating with shareholders. JCurve considers new government legislation and monitors the market place by canvassing information from stockbrokers and investors.

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management adjust the capital structure as necessary to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(b) Categories of financial instruments

	Consolidated ($)		
	2014	2013	
Financial assets			
Receivables	2,719,797	2,118,135	
Cash and cash equivalents	2,765,265	3,606,727	
Other financial assets	31,856	99,123	
Financial liabilities			
Payables	5,677,604	2,749,502	3,2

The Group has no derivative instruments in designated hedging relationships.

(c) Financial Risk Management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Group's principal financial liabilities are trade payables and unearned income. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

It is, and has been throughout 2013 and 2014, the Group's policy that no trading in derivatives shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees on policies for managing each of these risks which are summarised in following pages.

(d) Price Risk – Equity and Commodity

The Group's exposure to commodity and equity securities price risk is minimal.

(e) Foreign Currency Risk

The Group has minimal exposure to foreign currency risk as the Group trades mainly within Australia. The contract for Joint Venture in South Africa stipulates that the service revenue will be billed in Australian dollars.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17: FINANCIAL INSTRUMENTS (continued)

(f) Interest Rate Risk

The following table sets out the carrying amount, by maturity, of the Group's financial instruments including those exposed to interest rate risk:

	Consolidated			
	Within 1year	**1 to 5 years**	**Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**%**
Year ended 30 June 2014				
Financial assets				
Trade and other receivables	2,719,797		2,719,797	
	2,719,797		2,719,797	
Floating rate:				
Cash Assets	2,765,265	-	2,765,265	2.53
	2,765,265	-	2,765,265	
	5,485,062	-	5,485,062	
Financial liabilities				
Payables	5,677,604	-	5,677,604	-
Other payables	-	-	-	-
	5,677,604	-	5,677,604	
Year ended 30 June 2013				
Financial assets				
Trade and other receivables	2,118,135		2,118,135	
	2,118,135		2,118,135	
Floating rate:				
Cash Assets	3,606,727	-	3,606,727	3.13
	3,606,727	-	3,606,727	
	5,724,862	-	5,724,862	
Financial liabilities				
Payables	2,749,502	-	2,749,502	-
Other payables	-	-	-	-
	2,749,502	-	2,749,502	

For all financial instruments, the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised forms.

Interest on financial instruments classified as floating rate is fixed at intervals of less than one year. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17: FINANCIAL INSTRUMENTS (continued)

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss before tax would increase by $13,613 and decrease by $13,613 respectively (2013: $11,759). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash deposits.

(g) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Accounts Receivable and Provision

Trade Receivables – Past Due Not Impaired

At 30 June, the ageing analysis of trade receivables is as follows:

	Consolidated Total	0-30 days	31-60 days	61-90 days PDNI*	61-90 days CI*	+91 days PDNI*	+91 days CI*
2014	2,625,764	2,341,786	114,545	85,288	-	56,571	27,574
2013	2,075,660	1,822,696	74,982	91,350	-	63,647	22,985

* **PDNI** - Past due not impaired

CI - Considered impaired

Receivables past due but not considered impaired are: Consolidated $141,859 (2013: $154,997).

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17: FINANCIAL INSTRUMENTS (continued)

(h) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 19: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

There are no commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date.

Operating Lease Commitments

The Group had the following operating lease commitment for office space at balance date:

	Consolidated ($)	
	2014	**2013**
Within one year	72,029	165,870
After one year but not more than five years	17,111	72,029

Contingent Liabilities

The company does not have any contingent liabilities.

NOTE 19: EVENTS AFTER BALANCE DATE

On 21 July 2014, Mr Nihal Gupta resigned as Non-Executive Chairman and Mr Graham Baillie was appointed to the position of Executive Chairman (Refer to Note 19 for details). James Butchers, Chief Financial Officer ceased employment with JCurve Solutions on 5 August 2014.

NOTE 20: AUDITOR'S REMUNERATION

The auditor of JCurve Solutions Limited is HLB Mann Judd.

	Consolidated ($)	
	2014	**2013**
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	68,700	62,822

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 21: INTEREST IN JOINT VENTURE

The Group has a 50% interest in the Webhouse Software joint venture, which is involved in providing telecommunications expense management solutions in South Africa.

The share of the assets, liabilities, revenue and expenses of the jointly controlled operation, which are included in the consolidated financial statements, are as follows:

	Consolidated ($) 2014	2013
Current assets		
Trade and other receivables	481,343	312,581
Total current assets	481,343	312,581
Non-current assets		
Total Non-current assets	-	-
Current liabilities		
Trade and other payables	296,053	195,935
Total current liabilities	296,053	195,935
Non-current liabilities		
Total Non-current liabilities	-	-
Operating Revenue	1,423,839	826,866
Interest Revenue	222	142
Administrative expenses	(1,244)	(939)
Communications expenses	(13,967)	(8,330)
Consultancy expenses	(36,589)	(19,717)
Travel expenses	(7,049)	-
Profit before income tax	1,365,212	798,022
Income tax expense	-	-
Net Profit	1,365,212	798,022

There were no capital commitments and guarantees. There were no impairment losses in the jointly controlled operation.

NOTE 22: DISCONTINUED OPERATION

Softlog Systems Pty Ltd, a wholly owned subsidiary of JCurve Solutions Limited, initiated an active program to locate a buyer and sell the Print Expense Management Division (PEMS). An agreement to sell the division was entered into on 21 December 2012 with effect from 2 January 2013 and the division disposed of has been reported in the financial statements for the year ended 30 June 2013 as a discontinued operation.

Consideration received or receivable

	2013 $
Disposal consideration	227,000
Less: net assets disposed of	(67,124)
Gain on disposal before income tax	159,876
Income tax expense	(47,963)
Gain on disposal after income tax	111,913

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22: DISCONTINUED OPERATION (continued)

Net assets at date of sale
The carrying amount of assets and liabilities disposed of were:

	2013 $
Prepayments	1,440
Inventory	22,103
Property, plant and equipment	13,272
Intangible assets	475,663
	512,478
Employee benefits expense	(42,368)
Unearned income liability	(402,986)
Net assets	67,124

Net cash inflow on disposal
The cash inflow on disposal is receivable in the following instalments:

	$
21 December 2012	100,000
2 January 2013	100,000
14 February 2013	27,000
Net cash inflow on disposal	227,000

	$
Cash and cash equivalents consideration received or receivable	227,000
Net cash and cash equivalents disposed of	-
Net cash inflow on disposal	227,000

Financial performance and cash flow information
The financial performance and cash flow information presented are for the 12 months ended 30 June 2013.

	2014	2013
Financial performance from discontinued operation		
Revenue	-	828,232
Expenses	-	(1,171,230)
Gross profit/(loss)	-	(342,998)
Loss recognised on the remeasurement to fair value	-	-
Loss before tax from discontinued operations	-	(342,998)
Income tax benefit/(expense)	-	(240,928)
Loss for the year from discontinued operations	-	(583,926)
Cash flows from discontinued operations		
Net cash flows from operating activities	-	(280,669)
Net cash flows from investing activities	-	227,000
Net cash flows from financing activities	-	-
	-	(53,669)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23: BUSINESS COMBINATIONS

Acquisition of JCurve Business Software
On 31 October 2013, JCurve Business Software Pty Ltd, a subsidiary of JCurve Solutions Limited acquired the assets and liabilities of JCurve Solutions Pty Ltd, a leading cloud-based accounting and ERP software provider which exclusively promotes and sells the small business version of business software from Netsuite Inc of USA (Netsuite) in the Australia and New Zealand region.

The total cost of the combination was $6,000,714 and comprised an issue of equity instruments, cash and options. The Company issued 71,428,571 ordinary shares with a fair value of $0.048 each, based on the quoted price of the shares of JCurve Solutions Limited at the date of control and 35,714,284 options (valued at $1,572,143). The incentive options were issued with the following milestones all with an exercise price of $0.000001:

- 8,928,571 options which automatically vest when the share price reaches 7.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2016;
- 8,928,571 options which automatically vest when the share price reaches 10c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 options which automatically vest when the share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018;
- 8,928,571 options which automatically vest when the share price reaches 15c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019.

Consideration transferred
Acquisition date fair value of the consideration transferred:

	30 June 2014 $
Cash	1,000,000
Options issued	1,572,143
Shares issued at fair value	3,428,571
Total consideration	6,000,714

Acquisition related costs of $195,655 are included in professional fees and other expenses in the statement of comprehensive income. Directly attributable costs of raising equity have been included as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23: BUSINESS COMBINATIONS (continued)

Assets acquired and liabilities assumed at the date of acquisition
The Group has provisionally recognised the fair values of the identifiable assets and liabilities of JCurve Solutions Pty Ltd based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	Fair value at acquisition date
	$
Trade receivables	133,631
Bonds	9,700
Property, plant and equipment	20,595
Netsuite licence agreement	3,100,000
Intangible assets – JCurve wizard	500,000
Prepayments	545,416
Deferred tax assets	14,161
Trade and other payables	(2,329,797)
Provisional fair value of identifiable net assets	1,993,706
Goodwill arising on acquisition	4,007,008
Total consideration	6,000,714

The initial accounting for the acquisition of the assets and liabilities of JCurve Solutions Pty Ltd has only been provisionally determined at the end of the reporting period. At the date of finalisation of this financial report, the necessary market valuations and other calculations had not been finalised and the fair value of the intangible assets, goodwill, consideration and associated deferred tax liabilities above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value of these assets and liabilities.

Net cash outflow arising on acquisition
The cash outflow on acquisition is as follows:

	30 June 2014
	$
Cash paid	1,000,000
Less: net cash acquired with the subsidiary	-
Net cash outflow	1,000,000

Impact of acquisition on the results of the Group
The acquisition of the assets and liabilities of JCurve Solutions Pty Ltd affected the consolidated result as follows:

	30 June 2014
	$
Revenue	2,197,229
Less: expenses	(2,650,200)
Gross loss before tax	(452,971)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23: BUSINESS COMBINATIONS (continued)

Impact of acquisition on the results of the Group
If the combination had taken place at the beginning of the year, the loss before tax of the Group would have been $1,576,749 and revenue from continuing operations would have been $12,743,520.

In determining the pro-forma revenue and profit of the Group had JCurve Solutions Pty Ltd been acquired at the beginning of the current reporting period, the Directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and

- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

Acquisition of The Full Circle Group Pty Ltd

On 17 June 2014 JCurve Solutions Limited acquired the shares of The Full Circle Group Pty Ltd, a leading cloud-based telecoms management company, to be integrated into business operations effective 1 July 2014.

The total cost of the combination was $2,703,571 and comprised an issue of equity instruments and cash. The Company issued 15,178,571 ordinary shares with a fair value of $0.046 each, based on the quoted price of the shares of JCurve Solutions Limited at the date of control. A further 4,464,285 ordinary shares with a fair value of $0.046 each, based on the quoted price of the shares of JCurve Solutions Limited at the date of control, will be issued on an incentive basis on the achievement of financial and product targets as agreed in the purchase of Full Circle.

Consideration transferred
Acquisition date fair value of the consideration transferred:

	30 June 2014
	$
Cash	1,800,000
Shares issued at fair value	698,214
Deferred consideration	205,357
Total consideration	2,703,571

Acquisition related costs of $122,548 are included in professional fees and other expenses in the statement of comprehensive income. Directly attributable costs of raising equity have been included as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23: BUSINESS COMBINATIONS (continued)

Assets acquired and liabilities assumed at the date of acquisition
The Group has provisionally recognised the fair values of the identifiable assets and liabilities of The Full Circle Group Pty Ltd based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	Fair value at acquisition date
	$
Cash	46,241
Trade receivables	187,385
Bonds	4,883
Property, plant and equipment	12,692
Patents & trademarks	3,396
Deferred tax assets	-
Trade and other payables	(153,298)
Provisions	(20,825)
Provisional fair value of identifiable net assets	80,474
Goodwill arising on acquisition	2,623,097
Total consideration	2,703,571

The initial accounting for the acquisition of the assets and liabilities of The Full Circle Group Pty Ltd has only been provisionally determined at the end of the reporting period. At the date of finalisation of this financial report, the necessary market valuations and other calculations had not been finalised and the fair value of the intangible assets, goodwill, consideration and associated deferred tax liabilities above have therefore only been provisionally determined based on the directors' best estimate of the likely fair value of these assets and liabilities.

Net cash outflow arising on acquisition
The cash outflow on acquisition is as follows:

	30 June 2014
	$
Cash paid	1,800,000
Less: net cash acquired with the subsidiary	(46,241)
Net cash outflow	1,753,759

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23: BUSINESS COMBINATION (continued)

Impact of acquisition on the results of the Group
The acquisition of the assets and liabilities of The Full Circle Group Pty Ltd affected the consolidated result as follows:

	30 June 2014 $
Revenue	-
Less: expenses	-
Gross loss before tax	-

If the combination had taken place at the beginning of the year, the loss before tax of the Group would have been $1,396,301 and revenue from continuing operations would have been $13,205,214.

In determining the pro-forma revenue and profit of the Group had The Full Circle Group Pty Ltd been acquired at the beginning of the current reporting period, the Directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and

- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

NOTE 24: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of JCurve Solutions Limited and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest 2014	2013
Vircom Pty Limited	Australia	100	100
JCurve Business Software Pty Ltd	Australia	100	100
Phoneware Pty Ltd	Australia	100	100
Resource Systems Pty Ltd	Australia	100	100
Interfleet Pty Ltd	Australia	100	100
The Full Circle Group Pty Ltd	Australia	100	-

JCurve Solutions Limited is an Australian entity and ultimate parent of the Group. Vircom Pty Limited, Phoneware Pty Ltd, Resource Systems Pty Ltd, Interfleet Pty Ltd and The Full Circle Group are all incorporated in Australia. The Group has no plans to dispose of any subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 24: RELATED PARTY DISCLOSURE (continued)

Transactions with Directors

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Purchases from Related Parties	2014 $	2013 $
Grange Consulting Group Pty Ltd		
Corporate Consultancy	42,000	5,000
Secretarial Services	107,100	107,100
	149,100	112,100
Taos Creative Pty Ltd		
Digital marketing & consulting	378,870	-
	378,870	-
Alive Mobile Pty Ltd		
Analysis & product development	95,000	-
	95,000	-

JCurve Solutions Limited former Director Mr Ian Macliver is the Managing Director of Grange Consulting Group Pty Ltd, which provided corporate advisory services to the consolidated entity amounting to $42,000 net of GST in 2014 (2013 $5,000).

The Company Secretary responsibilities are performed by Sarah Smith of Grange Consulting Group Pty Ltd. The company secretarial services provided by Grange Consulting include providing guidance on corporate compliance requirements pursuant to the Company's constitution, ASX Listing Rules and Corporations Act, assistance in drafting notices of meeting and announcements; Board documentation, and assistance with preparation of annual and half yearly financial reports. Company secretarial service fees for the year ended 30 June 2014 amounted to $107,100 (2013 $107,100) net of GST.

Chairman Graham Baillie's step-daughter Sam Brown is currently the majority shareholder and Director of Taos Creative Pty Ltd, which specialise in digital marketing & consulting services for business. The JCurve Solutions Group for the 2013-2014 Financial Year was provided with services from Taos Creative Pty Ltd amounting to $378,870 net of GST.

JCurve Solutions Limited Director Mr Christopher Gabriel is the Chairman of Alive Mobile Group which provided analysis and re-design of JTEL product amounting to $95,000 net of GST in 2014.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position

	30 June 2014 $	30 June 2013 $
Assets		
Current assets	3,213,517	4,015,551
Non-current assets	2,962,886	465,309
Total assets	6,176,403	4,480,860
Liabilities		
Current liabilities	1,670,955	859,981
Non-current liabilities	134,998	79,720
Total liabilities	1,805,953	939,701
Equity		
Issued capital	17,588,248	10,879,285
Accumulated losses	(14,940,812)	(7,488,996)
Reserves		
Share-based payments	1,723,014	150,870
Total equity	4,370,450	3,541,159

Financial performance	Year ended 30 June 2014 $	Year ended 30 June 2013 $
Net loss for the year	(7,451,817)	(4,983,327)
Other comprehensive income	-	-
Total comprehensive loss	(7,451,817)	(4,983,327)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 26: DIRECTORS AND EXECUTIVE DISCLOSURES

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

	30 June 2014 $	30 June 2013 $
Short-term employee benefits	1,097,498	971,771
Post-employment benefits	77,860	72,255
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total assets	1,175,358	1,044,026

NOTE 27: GOING CONCERN

The Group incurred a loss after tax of $1,424,796 (2013: $2,536,533). At balance date, the Group has cash assets of $2,765,265 and a positive working capital position of $372,511 (2013: $2,971,069). The working capital of $372,511 includes unearned revenue of $2,959,103. Whilst the recognition of Unearned Revenue acknowledges there are future obligations in terms of services to be provided this does not represent a future cash outlay. The Group has prepared cashflow forecasts based on expected future cash inflows and expected future cash outlays and, on the basis of these cash forecasts, and with reference to the cashflow statement incorporated into these Financial Statements, in the opinion of the Directors, the Group will be able to pay its debts as and when they fall due.

DIRECTORS' DECLARATION

1. In the opinion of the directors:

   a. the accompanying financial statements and notes are 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 2014 and of its performance for the year then ended; and

      ii. complying with Accounting Standards and Corporations Regulations 2001.

   b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.

G Baillie

Chairman

Dated this 29th day of August 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of JCurve Solutions Limited

Report on the Financial Report

We have audited the accompanying financial report of JCurve Solutions Limited ("the company"), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises 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 is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies 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. Those 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 company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.

HLB Mann Judd
Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of JCurve Solutions Limited 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 2014 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 report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. 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.

Auditor's opinion

In our opinion the remuneration report of JCurve Solutions Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
29 August 2014

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Shareholder information

(a) Distribution of shareholder and listed option holder numbers

Category	Ordinary	Units	% of Issued Capital
1 - 1,000	53	2679	0.00
1,001 - 5,000	9	30,010	0.02
5,001 - 10,000	42	361,113	0.19
10,001 - 100,000	140	5,926,976	3.10
100,001 - and over	149	184,756,950	96.69
	393	191,077,728	100

There are 111 shareholders that hold less than a marketable parcel as at 26 August 2013.

(b) Substantial shareholders

The names of the substantial shareholders listed in the company's register as at 26 August 2013 are:

Shareholder	Number of ordinary shares held	% held of ordinary share capital
Mr Mark Jobling	34,841,305	18.23
Moutier Pty Ltd	16,542,111	8.66
Mr Michael Fairclough	10,316,369	5.40

(c) Voting rights

At members' meetings, each eligible voter (i.e. eligible member, proxy, attorney or representative of an eligible member) has one vote on a show of hands; and one vote on a poll (except where a share has not been fully paid, that share will only confer that fraction of one vote which has been paid, and if the total number of votes does not constitute a whole number, the fractional part of that total will be disregarded). This is subject to the following:

Where any calls due and payable have not been paid;

Where there is a breach of a restriction agreement;

Where a member and their proxy or attorney are both present at the meeting, or if more than one proxy or attorney is present;

Where a vote on a particular resolution is prohibited by the Corporations Act 2001, Listing Rules, ASIC or order of a Court.

(d) Company secretary

The name of the company secretary is Sarah Smith.

(e) Registered office

The address of the principal registered office in Australia is:
Level 1, 1254 Hay Street
WEST PERTH
WA 6005

(f) Register of securities

The registers of securities are held at the following address:
Computershare Ltd
Level 2, 45 St Georges Terrace
PERTH
WA 6000

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

(g) Top 20 Registered Holders – Ordinary Shares as of 26 August 2014

	Name	Number of Ordinary Shares	% held of Ordinary Shares
1.	MR MARK CHRISTOPHER JOBLING	34,841,305	18.23
2.	MOUTIER PTY LTD	16,542,111	8.66
3.	MR MICHAEL JAMES FAIRCLOUGH <THE FAIRCLOUGH FAMILY A/C>	10,316,369	5.40
4.	TOPSFIELD PTY LTD	10,000,000	5.23
5.	GRAMELL INVESTMENTS PTY LIMITED <SUPERANNUATION FUND A/C>	9,510,907	4.98
6.	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	6,067,012	3.18
7.	MRS EMMA JANE GRACEY	3,870,000	2.03
8.	CORNELA PTY LTD <IAN MACLIVER SUPER FUND A/C>	3,624,962	1.90
9.	MR MICHAEL FRANK MANFORD <ATLO SUPER FUND A/C>	3,347,012	1.75
10.	MR DAVID SCHWARTZ <DAVID SCHWARTZ FAM HLDS A/C>	3,007,783	1.57
11.	MR PETER GRAHAM DORAN + MRS BARBARA LINDA DORAN <DORAN & SONS FAMILY A/C>	2,871,973	1.50
12.	FUTURE SUPER PTY LTD <JWS SUPER FUND A/C>	2,700,000	1.41
13.	BRECON INVESTMENTS PTY LTD <BRECON SUPER FUND A/C>	2,659,734	1.39
14.	TOPSFIELD PTY LTD	2,656,370	1.39
15.	PATEL FAMILY SUPERANNUATION PTY LTD <PATEL FAMILY SUPER FUND A/C>	2,619,091	1.37
16.	MAST FINANCIAL PTY LTD <A TO Z INVESTMENT A/C>	2,500,000	1.31
17.	DEPONENT SERVICES PTY LTD <LAMBERT SUPER FUND A/C>	2,400,000	1.26
18.	JASPER HILL RESOURCES PTY LTD <SUPERANNUATION ACCOUNT>	2,000,000	1.05
19.	TWO TOPS PTY LTD	2,000,000	1.05
20.	GLEN ALPINE PTY LTD <HILEY S/F A/C>	1,970,710	1.03
	TOTAL HELD BY TOP 20 HOLDERS	**125,505,339**	**65.68**

(h) Stock exchange listing– ordinary shares (as of 26 August 2014)

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange.

(i) Restricted securities

As at 26 August 2014 there are no restricted security classes recorded in the Company's share register.

(j) Unquoted securities

The unquoted securities of the Company as at 26 August 2014 are 35,714,284 Options are outlined below

Number of Options	Exercise Price	Expiry Date	Number of Holders
8,928,571	$0.000001	31 March 2016	1
8,928,571	$0.000001	31 March 2017	1
8,928,571	$0.000001	31 March 2018	1
8,928,571	$0.000001	31 March 2019	1