DomaCom
FRACTIONAL INVESTING

2017 Annual Report

DomaCom Limited and its Controlled Entities
ABN 69 604 384 885

Table of Contents

CHAIRMAN'S REPORT
30 JUNE 2017

Dear Shareholder

On behalf of the Board it is with pleasure I present the Annual Report for the year ended 30 June 2017.

In our short period since listing, DomaCom has continued to make good progress. Whilst dealing within the time frames of government, the legal system and legislators (which is a fact of business) we have continued to push ahead knowing that DomaCom has the solution for many of the challenges facing the changing investment and social issues outlined below.

DomaCom is at the forefront of change occurring within financial services and the rapid take up of technology. DomaCom is a pioneer in the development of the fractional investment platform which represents a combination of a well proven legal structure and a technology layer that allows retail investors to obtain access to investments in asset classes, such as direct property, that are relatively difficult for retail investors to access due to their investment size and/or illiquidity.

Crowdfunding for property assets is still a relatively new phenomenon in Australia, however when we look to global markets we can see that funds under management for global property crowdfunding grew from $20 million to $2.5 billion from 2010 to 2015 (Source: 2015CF The Crowdfunding Industry Report (http://reports.crowdsourcing.org/). We believe that we will continue to see growth in this area and DomaCom is very well positioned to take advantage of this trend.

The last financial year has been a difficult one for the whole DomaCom community, working tirelessly to educate and then implement this fantastic new process. As many of you would know any ground-breaking technology, system or product takes time and we are step by step getting greater acceptance and use of our platform for fractional investment. We continue to build strong and solid foundations for future growth. I specifically want to refer to the following achievements:

- The listing of the Company on the Australian Securities Exchange on the 7th of November 2016
- Industry Award for the Fintech Crowdfunder of the Year
- Growth in the number of Properties that have been transacted within the DomaCom Fund has grown from 17 Properties at the end of 30 June 2016 to 43 Properties currently held on the platform.
- The first public crowdfunding rural property was completed on the platform in February of this year.
- DomaCom is the leading Australian Property Crowdfunder with capital raised for properties across Residential, Rural, and Commercial sectors and with properties situated in all 6 states of Australia.

Looking to the future DomaCom is very well placed to continue to take advantage of major trends that are confronting Australia:

- Affordable Housing – DomaCom's fractional Investment platform allows all types of investors to take a fractional interest in property and in particular allows Generation X and Y to take their first steps of getting onto the property ladder. Furthermore, DomaCom offers a shared equity model (allowing different equity participants) thus allowing long term renters an opportunity to seek equity participation over time.
- Ageing and Retirement savings – The Australian population is getting older and living longer with a concern that many may outlive their savings. DomaCom has a Senior Equity Release product that is in the final stages of obtaining approval from ASIC.
- DomaCom business model is flexible to allow crowdfunding for all types of property (subject to appropriate Due Diligence), therefore facilitating capital to flow into areas such as Rural and Alternative Energy that may otherwise find it difficult to raise funds through traditional sources of finance.
- The DomaCom platform whilst originally for property interests is flexible enough to accommodate fractionalisation of many different asset classes and investments.

We thank you for your support. Our interests are aligned, those of the board, shareholders, management and staff. Everyone looks forward to making DomaCom not only a successful investment but a business which adds value to the community through its innovative opportunities.

Grahame Evans
Chairman
31 August 2017

CEO'S REPORT
30 JUNE 2017

Dear Shareholder

Overview

FY2017 was a year of considerable progress for DomaCom, as we lay the foundations for the company's future as the leading property crowdfunding platform in Australia.

DomaCom successfully listed on the Australian Securities Exchange on 7 November 2016, raising $7.3 million. The DomaCom Fund, for which DomaCom acts as the Investment Manager, has already acquired 43 property assets across the diverse property sectors of residential, commercial and rural, resulting in over 1,240 accounts held by over 860 investors.

DomaCom continues to gain traction in its primary distribution channel of Independent Financial Planners ('IFAs' and has now been approved by 43 different adviser groups, giving access to over 1,200 advisers and their end clients.

Also during the year, we took the strategic decision to create a new channel for investment opportunities by accessing the considerable untapped potential of the direct investment market. We have received considerable feedback that many investors have an appetite to invest directly into the property sector rather than dealing through an IFA. Accordingly, we have adapted our business model to enable direct investors to access crowdfunding opportunities, opening a new route to market for the Company.

The process to implement this is well underway and we expect it will be achieved by the end of the calendar year.

Financial Results

For the full year we reported a loss of $6.1 million ($6.1 million loss 2016), which is in line with expectations and reflects our position as an early stage company.

The major expense items included employee benefits that were 14% lower than the previous year, representing a reduction of $0.5 million from $3.5 million for FY2016 to $3.0 million for FY2017. The depreciation expense increased to $664,000 from $311,000 in FY2016 as a result of taking a more conservative view of the depreciation of the DomaCom platform; this has been altered to a more prudent 5-year period rather than over a 10-year period initially adopted in 2016.

As at the end of the FY2017 the Company has a robust cash position of $2.7 million and anticipates receiving a further $1.0m in Q3 2017 through a Research and Development grant.

Our Business

The DomaCom Fund leverages its proprietary cloud-based technology platform to deliver a range of important differentiating functions for investors in our sub-funds:

- Campaign functions *enabling* investors to pool together to acquire any property asset ("crowdfunding").
- Liquidity through the ability to buy and sell on the platform.
- Greater choice, by being able to search properties through our platform and bid on individual assets they deem attractive.
- An ability to invest alongside family and friends via an enhancement to our platform we are rolling out in the fourth quarter of this year. This will enable a group of family and friends to select a property of their choosing and co-invest together.

Outlook

The concept of fractional investment in property is proving highly attractive to investors globally, evidenced by the growth in global funds invested from $20 million to $2.5 billion between 2010 and 2015 (source: The

Crowdfunding Industry Report 2015). While the concept is still in its infancy in Australia, there are a range of macro-economic drivers in place which give us significant confidence in the long-term prospects of the industry. The DomaCom Fund is well positioned to benefit from a number of the macro themes that are currently prevalent in Australia. These include:

- Housing affordability;
- Ageing population and concerns over level of retirement savings;
- Energy crisis and need for alternative sources of energy; and
- Social infrastructure and regional community development.

DomaCom has a number of diverse crowdfunding projects in the pipeline that address these challenges and provide a range of investment opportunities for advisers and investors.

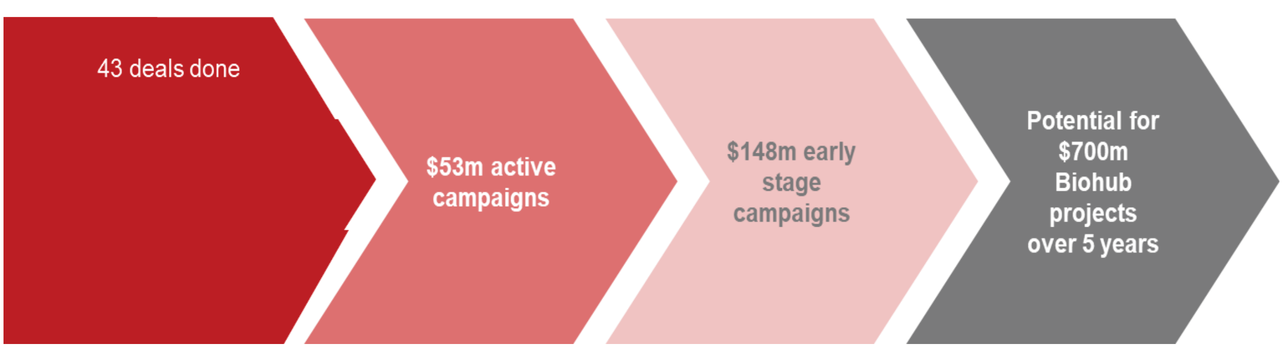
One example of these opportunities is an investment in renewable energy infrastructure in regional Australia:

- The project involves crowdfunding of the construction of a bio-energy infrastructure development which will be subsequently leased to an energy company, Utilitas. Utilitas aggregates organic waste and waste water to produce energy, water and other bioproducts.
- The first project is the development of a biofuels plant in Casino, NSW, with the investment being valued at approximately $4.3 million, representing the value of the land and the cost of developing the bio-energy plant.
- There is a targeted 20% capital uplift during the development phase for investors after which a lease will be put in place with Utilitas to provide a regular, ongoing rental income stream of approximately 8% to the investors.
- As a socially responsible investment, this attracts a new group of potential investors to DomaCom.

This bio-energy theme represents a potentially significant source of assets for DomaCom as it is estimated that there are approximately 100 projects in the pipeline with a potential value of around $700 million over five years.

The diagram below illustrates the scale of the opportunities that we have identified. We remain highly focused on growing funds under management, which in turn delivers revenue to DomaCom Limited in the form of management fees.

Key milestones achieved Near term focus Future potential opportunities



$16 million in adviser campaigns
$25 million investment awaiting debt
$12 million in public campaigns

$90 million Melbourne sub-division
$21 million in next 4 bioHub projects
$13 million in next Akuna project
$23 million in smaller projects

DomaCom has also been working on a number of key initiatives that have the potential to transform our company:

Debt for Residential Investments
Another key opportunity we are working on is to create a mechanism by which our sub-funds can hold debt thus opening a raft of new product opportunities for the Company. This is a direct response to feedback from investors and will facilitate the creation of a range of exciting new products. We expect to have this implemented within 12 months.

We believe that this will be a key driver of future growth given the strong preference from advisers and investors to incorporate debt when investing in property, particularly given the tax efficiencies of doing so.

Senior Equity Release
DomaCom's Senior Equity Release ('SER') product has significant potential in terms of attracting a large new demographic of investors; the SER product will enable retirees to help fund their retirement by releasing equity from their homes to investors. This is particularly relevant to the 'Baby Boomer' generation, and will also enable IFAs to include property in multi-generational wealth planning.

This product is currently going through the regulatory approval process and if successful it is anticipated that we will have the product available in the first quarter of 2018.

Federal Court SMSF Ruling
Another early stage opportunity DomaCom is advancing is aimed at creating a mechanism for investors to access their own superannuation savings to invest in a property in which they also live.

While considerable barriers exist to achieving this goal, a key element is to seek a ruling in the Federal Court which could facilitate this change and the Company has commenced proceedings in the Federal Court towards this aim. We expect the hearing to be set in September 2017 and we will update shareholders in due course.

Clearly success with this initiative would create a significant opportunity by creating a credible solution to the housing affordability crisis and opening up the vast resources within the superannuation system. This would be a significant opportunity, particularly for younger Australians to get on the property ladder earlier.

We have taken the advice of Senior Counsel who believes we have a strong case but we will need of course to await the decision of the court.

Conclusion

DomaCom is a pioneer in property crowdfunding, which is only in its infancy in Australia and has significant opportunity for growth. With 43 deals already completed, we have underway a number exciting and diverse crowdfunding projects, in addition to some highly targeted legislative and structural initiatives that have the potential to significantly broaden DomaCom's appeal to investors and drive funds under management. We look forward to updating shareholders on our progress in the coming year as these projects and new products come to fruition.

Arthur Naoumidis
Chief Executive Officer
31 August 2017

DIRECTORS' REPORT
30 JUNE 2017

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the year ended 30 June 2017.

1. Directors

The names of the directors in office throughout the year and to the date of this financial report are Mr David H Archbold, Mr Graeme A Billings, Mr Peter C Church, Mr Grahame D Evans, Mr Ross A Laidlaw and Mr Arthur Naoumidis. The name of the company secretary in office throughout the year and to the date of this financial report is Mr Philip J R Chard. Details of qualifications, experience and special responsibilities of the Directors are as follows:

Grahame D Evans – Chairman and Independent Non-Executive Chairman
Grahame has been extensively involved with the financial services industry for over 30 years. He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advisory businesses and also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management, voted in the top 10 management schools in the Asian region. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth. He is currently an executive director of GPS Wealth. Grahame has been a director of DomaCom Limited since 23 February 2015.

Arthur Naoumidis – Chief Executive Officer
After 20 years as an IT consultant, Arthur spent 5 years at JB Were and BNP Paribas building and operating investment administration systems and businesses. Using the combined technology and investment administration background, Arthur founded the now ASX Listed Praemium (ASX:PPS). Arthur grew Praemium into a business with 500 client firms (accountants, financial planners, stockbrokers, SMSF administrators and institutions) in Australia administering over $43 Billion as well as partnering with Blackrock Australia to launch Australia's first online separately managed account (SMA) platform. As a result of listing Praemium on the ASX, Arthur took the Praemium SMA concept to the UK and successfully launched the SMA platform business of Praemium UK.

Arthur is now taking some of the advanced equity concepts he pioneered in the equity markets during his Praemium days into a market that has been relatively untouched by technology and business process improvements – the property market. Arthur has been a director of DomaCom Limited since 23 February 2015.

David H Archbold – Independent Non-Executive Director
David has over 45 years' experience in the property industry in Australia. Prior to the establishment of International Property Group Pty Limited in 1991, David was Executive Director - International, for Colliers Jardine and Executive General Manager of Hooker Corporation. For 17 years prior he was Managing Director of Baillieu Knight Frank (SA) Pty Ltd, then Managing Director of Baillieu Knight Frank (NSW) and a Director/Partner of the Australian Company.

David has extensive experience in property consultancy throughout Australia and South East Asia with Corporate and large family owned businesses. David has been a director of DomaCom Limited since 23 February 2015.

Graeme A Billings – Independent Non-Executive Director
Graeme has been a chartered accountant since 1980. He retired from PricewaterhouseCoopers in 2011 after 34 years where he was a senior partner in the Assurance practice. Graeme is a former head of the Melbourne Assurance practice as well as leading the Firm's Australian and Global Industrial Products businesses. He has extensive experience in providing assurance, governance, transaction and consulting services to multi-national and national companies in the automotive, manufacturing, consumer goods and construction industries. Graeme was also a regular media commentator on the Industrial Products sector.

Graeme is now an advisor to various companies as well as acting as a non-executive director for a number of public and private companies in the financial services, manufacturing, retail and construction sectors. Graeme has been a director of DomaCom Limited since 23 February 2015.

Peter C Church OAM – Independent Non-Executive Director
Peter Church OAM FAICD is a lawyer and corporate adviser who has spent much of his career in South East Asia and India where he advises a wide range of clients. He has written a number of books on the region and is an Adjunct Professor in the Business School of Curtin University. He was awarded the Medal of the Order of Australia (OAM) in 1994 by the Australian Government for the promotion of business relations between Australian and South East Asia. He is also a Fellow of the Australian Institute of Company Directors (FAICD). His current appointments include Executive Chairman of AFG Venture Group, Special Counsel to the English law firm, Stephenson Harwood, Non-Executive Director of OM Holdings Limited (ASX), Elara Capital PLC and the Singapore international Chamber of Commerce Limited. Peter has been a director of DomaCom Limited since 26 August 2015.

Ross A Laidlaw – Executive Director
Ross has spent over 25 years in Financial Services, and has deep and expansive experience within markets in Australasia, Europe and America. His strength lies in the development of start-up or green field developments and driving them into fully fledged and profitable businesses. Ross was CEO of the successful Skandia Platform for over 7 years, developing it into a leading Platform that was well supported by independent financial advisers. Prior to being transferred to Skandia's European business the business had grown organically to over $5 billion in assets under management and employed over 200 staff. Ross has held a number of directorships including the Australian businesses, Skandia's joint venture in Mainland China, Skandia's Fund Management Company in Ireland and American Skandia's Broker Dealer group.

Ross is qualified Chartered Accountant, and Fellow of the Financial Services Institute of Australasia and his key role at DomaCom is as Chief Operating Officer. Ross has been a director since 23 February 2015.

Philip JR Chard – Chief Financial Officer, Company Secretary
Philip has over 25 years of experience in the financial services industry. As a senior manager at Deloitte he provided assurance and advisory services within the funds management and investment banking sectors. Subsequently he has held a broad range of financial control and reporting positions within the property, funds management and banking sectors. He has a strong understanding of the requirements of highly regulated industries and the reporting obligations of listed companies. He has a proven track record of designing and implementing robust internal control and reporting systems.

2. Directors meetings

The number of Directors' meetings and the number of meetings attended by the Directors of the Company during the year ended 30 June 2017 were:

	Board of Directors		Audit Committee		Risk Management	
	Held	Attended	Held	Attended	Held	Attended
Mr David H Archbold	16	13	3	3	1	1
Mr Graeme A Billings	16	15	3	3	1	1
Mr Peter C Church	16	14	3	3	1	1
Mr Grahame D Evans	16	16	-	-	1	1
Mr Ross A Laidlaw	16	16	3	3	1	1
Mr Arthur Naoumidis	16	16	-	-	1	1

3. Principal activity

During the year, the principal activities of entities within the Group were the development of a software platform to be used for the trading of fractional interests in property.

4. Operating results

The Group has incurred an operating loss of $6,136,417.

5. Distributions paid or declared

No distributions were declared or paid in the current year.

6. Review of operations and financial results

The Group is a participant in the financial services market in Australia.

DomaCom Limited is the holding company and DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited are 100% owned subsidiaries of the DomaCom Group.

DomaCom Australia Limited is the investment manager of the DomaCom Fund ("the Fund") (Managed Investment Scheme). The Fund allows investors to hold fractional interests in properties, that they themselves have selected or their advisers on their behalf. The Fund allows investors to obtain exposure to properties that they could not afford to buy outright themselves due to the price of property in Australia or would not wish to buy 100% outright from an asset allocation perspective. DomaCom allows investors and their advisers to appropriately allocate their property exposure across a range of different types of property asset classes such as Residential, Commercial, Industrial, Retail and Rural and also geographically across the major capital cities in Australia and regional areas.

The Fund has successfully completed 43 property crowdfunding transactions and has 1240 investor accounts across 864 investors as at 17th of July 2017. DomaCom continues to gain traction across its primary distribution channel of independent financial advisers. It is now represented on the Approved Product List of 43 financial planning organisations that represent over 1,200 advisers and approximately 240,000 clients. The Fund has been rated by Lonsec, SQM and PIR research houses, which are critical for the Fund's ability to continue to gather support amongst financial planners.

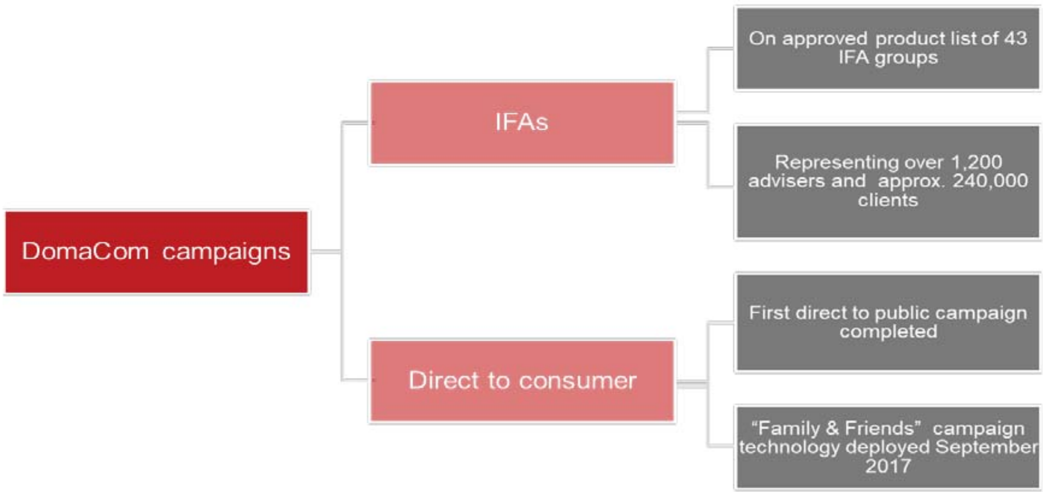
From a macro perspective DomaCom is very well placed to continue to grow its funds under management. In accordance with an International report on Crowdfunding undertaken by Massolution.com global property crowdfunding grew from $20 million to $2.5 billion in assets from 2010 to 2015. The Fund is also very well suited as a vehicle to tackle national themes that are currently affecting Australia and they are namely:

- Housing Affordability
- Ageing and Retirement Savings
- Alternative Energy sources supporting the reduction of energy prices
- Community Based projects

DomaCom currently has a number of public campaigns underway and products under development that touch on one or more of the above themes:

- Akuna Cobram Lifestyle Community – Affordable Housing and Retirement Lifestyle: this represents the development of 148 homes in Cobram in a community style setting allowing retirees to purchase affordable housing. Project worth approximately $6 million.
- Casino Biohub Plant – Alternative Energy: creating energy from waste, which is helping regional areas find a solution to the rising energy prices. We are working with Utilitas who are looking to operate the Biofuels plant. This project value is approximately $4.3 million. DomaCom will look to replicate this project in many other regional areas.
- Senior Equity Release product a solution to help the ageing population and directed to baby boomers that own their own home but have a low level of retirement savings. This product is currently going through the regulatory approval process and if successful it is anticipated that we will have the product available in the first quarter of 2018.

In accordance with the theme of Affordable Housing DomaCom is actively progressing a challenge against the Australian Taxation Office in the Federal Court seeking a ruling in relation to Self-Managed Superannuation Funds ("SMSF"). DomaCom is seeking confirmation that the legislation allows SMSFs to invest in a DomaCom sub-fund that owns a residential property that is rented by a related party (i.e. family member). DomaCom is seeking court confirmation that DomaCom is one widely held trust and does not breach the sole purpose test. If successful the ruling would open the entire SMSF industry to property investment in a way that has not been possible before and support generation X and Y in tackling the affordability of housing issue. We would expect this case to be heard and a decision determined before the end of the year.



Other key upcoming milestones for DomaCom

- Family and Friends Campaign - DomaCom is currently enhancing the platform technology which will allow us to promote Family and Friends campaigns. This will allow investors and their friends to undertake a property campaign on the DomaCom platform. This allows you and your friends to buy a property together and we in turn manage the property, find a tenant and pay the rental income to you and your friends.
- Debt available for residential investments expected to be implemented 4th quarter. This will allow loans to be raised on the platform and used as gearing directly against properties that are onboarded onto the platform. We expect this to increase transaction volumes considerably.

7. Significant Changes in State of Affairs

DomaCom successfully listed on the Australian Securities Exchange on 7 November 2016, raising $7.3 million. There were no other significant changes in the state of affairs of the Group during the year.

8. Post Balance Date Events

Subsequent to balance date and prior to the issuing of this report, the following events have occurred:

- The Group's Research and Development tax incentive claim is currently being lodged with AusIndustry for an amount of $952,925.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9. Future Developments

The Group is expected to continue to develop its software platform and increase the level of assets under management in the DomaCom Fund (Managed Investment Scheme) for which the Group will earn management fees for its role as Investment Manager.

10. Unissued shares under Performance Rights

Date Granted	Expiry Date	Exercise price of shares ($)	Number of shares under Performance Rights
14 December 2015	30 November 2018	$nil	702,735
29 September 2016	30 November 2018	$nil	21,278

Performance Rights were issued under the programs described in Note 12 to the financial statements. No other options were granted or are outstanding at the date of this report.

11. Shares issued during or since the end of the year as a result of exercise of Performance Rights

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of Performance Rights as follows (there were no amounts unpaid on the shares issued):

Date Granted	Issue Price of Shares ($)	Number of shares issued
14 December 2015	$nil	1,361,512

12. Remuneration Report (audited)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration;
b Details of remuneration;
c Service agreements;
d Share-based remuneration; and
e Other information

a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

A remuneration framework has been structured that is market competitive and complementary to the reward strategy of the Group.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary;
- short term incentives (STI), being cash-based sales bonuses; and
- long term incentives (LTI), being equity-based incentive plans.

Short Term Incentives (STI)
Short term incentives have been established to reward members of the sales department. The non-discretionary incentives are structured to reward performance against financial targets, including Funds Under Management.

Long Term Incentives (LTI)
The Group has established a long term equity-based incentive plan for Directors and staff in order to:

- assist in the retention and motivation of directors and employees; and
- provide an incentive to grow shareholder value by providing an opportunity to receive an ownership interest in the Company.

The plan provides for the award of both Employee Share Options and Employee Performance Rights to Directors, executives, employees and consultants.

As the Group listed on the ASX on 7th November 2016 historical performance indicators have only been included for this year and the prior year.

	2017	**2016**
Earnings/(Loss) Per Share ($)	(0.06)	(0.06)
Net Profit/(loss) ($'000)	(6,136)	(6,061)
Share price ($) *	0.11	-

* Price at 30 June 2017

b) Details of remuneration

		Short-term employee benefits	Post-employment benefits	Long-term benefits	Share-based payments		
	Year	Cash salary and fees	Superannu-ation	Long service leave	Perform-ance Rights	Total	Perform-ance based % of remune-
Executive Directors							
Arthur Naoumidis	2017	240,482	22,846	2,085	-	265,413	0%
Director and CEO	2016	301,370	28,630	3,566	-	333,566	0%
Ross Laidlaw	2017	213,090	20,244	1,057	-	234,391	0%
Director and COO	2016	273,972	26,028	4,501	17,114	321,615	5%
Non-executive directors							
Grahame Evans	2017	60,000	-	-	-	60,000	0%
Chairman & Independent Director	2016	60,000	-	-	21,393	81,393	26%
David Archbold	2017	36,614	3,478	-	-	40,092	0%
Independent Director	2016	36,614		-	14,295	50,909	28%
Graeme Billings	2017	36,614	3,478	-	-	40,092	0%
Independent Director	2016	36,614		-	14,295	50,909	28%
Peter Church	2017	40,000	-	-	-	40,000	0%
Independent Director (1)	2016	33,333	-	-	14,295	47,628	30%
Other Key Management Personnel							
Philip Chard	2017	141,167	13,411	1,895	10,639	167,112	6%
CFO / Company Secretary (2)							
2017 Total		767,967	63,457	5,037	10,639	847,100	
2016 Total		741,903	54,658	8,067	81,392	886,020	

(1) Appointed 1 August 2015
(2) Appointed as CFO on 9 May 2017

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Employee	Fixed Remuneration	At risk: Short Term Incentives	At risk: Performance Rights (i)
Executive Directors			
Arthur Naoumidis	100%	-	-
Ross Laidlaw	100%	-	-
Non-Executive Directors	100%	-	-
Other Key Management Personnel			
Philip Chard	94%	-	6%

(i) based on the value of $0.50 at grant date.

Remuneration and other terms of employment for executive directors and senior executives are formalised in letters of employment that provide for various conditions in line with market practice including:

- an annual remuneration package and benefits including superannuation;
- the basis of termination or retirement and the benefits and conditions as a consequence; and
- agreed provisions in relation to annual leave and long service leave, confidential information and intellectual property.

The compensation for termination benefits was $nil (2016: $nil).

c) Service agreements

No key management personnel are employed under a service agreement.

d) Share-based remuneration

Performance Rights granted to employees during the year ended 30 June 2017 under the Long Term Incentive Plan have an exercise price of $nil, were granted at no cost to the recipient and carry no dividends or voting rights. The vesting condition of listing on the Australian Securities Exchange was satisfied on 7 November 2016. Vesting gives the holder of a Performance Right the right to convert into ordinary shares on a one-for-one basis.

The Performance Rights issued to employees under the Long Term Incentive Plan expire on 30 November 2018 and may be exercised at any time after the Company listed up to the expiry date.

Details of Performance Rights that were granted as remuneration during the year ended 30 June 2017 to key management personnel are set out below.

Employee	Number granted	Grant date	Value per Performance Right at grant date ($)	Number vested	Exercise Price ($)	Vesting and first exercise date	Last exercise date
Philip Chard	21,278	29/9/16	$0.50	21,278	-	7/11/16	30/11/18

No Performance Rights were forfeited, lapsed or exercised by Directors or key management personnel during the year ended 30 June 2017.

e) Other information

The number of Performance Rights in the Company held during the financial year ended 30 June 2017 held by key management personnel, including their related parties, are set out below:

	Balance at start of year	Granted as remuneration	Exercised	Vested and exercisable at the end of the reporting period
Executive Directors				
Grahame Evans	42,786	-	-	42,786
David Archbold	28,590	-	-	28,590
Graeme Billings	28,590	-	-	28,590
Peter Church	28,590	-	-	28,590
Non-Executive Directors				
Arthur Naoumidis (i)	31,234	-	-	31,324
Ross Laidlaw	213,929	-	-	213,929
Executives				
Philip Chard	106,975	21,278	-	128,253

(i) Performance Rights granted to Kathryn Naoumidis (related party) only as an employee of the Company.

The number of ordinary shares in the Company held during the financial year ended 30 June 2017 held by key management personnel, including their related parties, are set out below:

	Balance at start of year	Granted as remuneration	Received on exercise	Other changes	Held at end of reporting period
Executive Directors					
Grahame Evans	687,500	-	-	130,000	817,500
David Archbold	250,000	-	-	-	250,000
Graeme Billings	375,000	-	-	-	375,000
Peter Church	50,000	-	-	-	50,000
Non-Executive Directors					
Arthur Naoumidis	18,913,323	-	-	-	18,913,323
Ross Laidlaw	1,625,000	-	-	-	1,625,000

There were no loans to key management personnel during the year.

There were no other transactions with key management personnel during the year.

End of audited Remuneration Report.

13. Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth and State.

14. Indemnification and insurance of Officers or Auditor

During or since the end of the financial year, the Group has given indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

During the year, the Group has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the Group. Officers indemnified include all directors and all executive officers participating in the management of the Group.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

15. Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of their proceedings. The Group was not a party to any such proceedings during the year.

DomaCom Australia, a subsidiary of DomaCom Limited, is supporting an action in the Federal Court for a determination that DomaCom sub-funds are not inhouse assets or related trusts for the purposes of the SIS (Superannuation Industry Supervision) Act. The ruling would confirm that Self-Managed Superannuation Funds ("SMSFs") can invest in property sub-funds where the tenant of the underlying property is a related party of the SMSF. At the date of this report the determination is ongoing.

16. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out in the following report.

17. Corporate Governance Statement

The Board of DomaCom has adopted the following Corporate Governance policies and practices which are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (3rd Edition)" (ASX Guidelines) unless otherwise stated.

Role and responsibility of the Board (Principle 1.1)

The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget). The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

- The Board is responsible for the strategic direction of the company.
- The Board reviews and approves the Company's proposed strategy. The objectives of the Company are clearly documented in a long term corporate strategy and an annual business plan together with achievable and measurable targets and milestones.
- The Board approves budgets and other performance indicators and reviews performance against them and initiates corrective action when required.
- The Board ensures that risks facing the company have been identified, assessed and that the risks are being properly managed.
- The Board ensures that policies on key issues are in place and are appropriate. The Board also reviews compliance with policies.
- The Board adopts the most effective structure that best assists the governance process. The selection of Directors is based on obtaining the most relevant and required skills, while also recognising the need to have a diversity of skills and experience on the Board.
- The Board approves and fosters an appropriate corporate culture matched to the Company's values and strategies.
- The Board appoints the Managing Director and evaluates his or her ongoing performance against predetermined criteria. **(Principle 1.6)**
- The Board approves remuneration for the Managing Director and remuneration policy and succession plans for the Managing Director and senior management. **(Principle 1.6)**

Board Charter (Principle 1.1)

A Board charter prepared having regard to the ASX Corporate Governance Principles and Recommendations, has been adopted by the Board and covers the independence of directors, the Board's responsibility for overall governance of the Company, the Board members' roles, powers, and responsibilities.

A copy of the Company's Board Charter is available on the Company's Website at: www.domacom.com.au/investor-relations.

Board Committees (Principle 1.2)

The Board has established 1 standing committee to facilitate and assist the Board in fulfilling its responsibilities. It may also establish other committees from time to time to assist in the discharge of its responsibilities.

Audit Committee (Principle 4)

The Board has established a Board Audit Committee.

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the external audit function, accounting policies, financial reporting, funding, financial risk management and certain compliance matters.

The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

The Committee must have at least three members, a majority of whom must be independent non-executive directors.

At least one member of the Committee should have significant expertise in financial reporting, accounting or auditing. The Chairman of the Committee should act independently and must not be the Chairman of the Board.

The current Audit Committee members are:

- Graeme Billings Chairperson and Independent Non-Executive Director
- David Archbold Independent Non-Executive Director
- Peter Church Independent Non-Executive Director

The Board has received declarations from the CEO and CFO that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. **(Principle 4.2)**

A copy of the Company's Audit Committee Charter is available on the Company's Website at: www.domacom.com.au/investor-relations.

Remuneration and Nomination Committee (Principle 1.2/ 2.1/ 8.1-8.3)

The Remuneration and Nomination Committee at present comprises the full Board.

The Board considers that at this stage assuming the duties of a Remuneration and Nomination Committee is appropriate in light of the Company's operations and size, and the size of the Board. All of the Directors believe that they will able to, individually and collectively, analyse the issues before them objectively in the best interests of all shareholders and in accordance with their duties as Directors.

The Board also addresses board succession issues and ensures that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board Charter outlines duties relating to Remuneration and Nomination, and is made available on the Company website.

The Company has established a long term incentive plan (LTIP) to assist in the motivation, reward and retention of executive directors and all other employees. The LTIP is designed to align participants' interests with the interests of Shareholders by providing participants an opportunity to receive shares through the granting of performance rights.

Composition of the Board (Principle 2.3, 2.4 & 2.5)

The Board currently comprises six directors (two of whom are also executives of the Company). The names, biographical details and length of service of the directors are set out above.

Terms of appointment (Principle 1.3 & 2.6)

The Board has adopted a letter of appointment that contains the terms on which non-executive directors are to be appointed, including the basis upon which they will be indemnified by the Company. Non-Executive directors are entitled to take independent advice at the cost of the Company in relation to their role as members of the Board. In addition, an induction process for incoming directors is coordinated by the Company Secretary. The Board receives regular updates at Board meetings, industry workshops, meetings with customers and site visits. These assist directors to keep up-to-date with relevant market and industry developments.

Areas of Competence and skills of the Board of Directors (Principle 2.2)

Area	Competence	Total out of 6 directors*
Leadership	Business Leadership, public listed company experience	6
Business, Finance and Governance	Business strategy, competitive business analysis, corporate advisory, finance and accounting, governance, audit assurance and risk management	6
International	International business management	6
Market & Sales, Distribution	Financial service expertise	3
Technology	Product Development, product life cycle management	1
Real Estate	Domestic and International Property market analysis	1

*This column represents the number of directors rated as being 'competent' or higher in respect of the relevant skill.

Company Secretary (Principle 1.4)

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX. All directors have direct access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board.

Review of Board performance (Principle 1.6 & 1.7)

The Board at least annually reviews the performance of the Board. The evaluation includes a review of:

- the Board's membership and the charters of the Board and its committees (if any);
- Board processes and its committees' (if any) effectiveness in supporting the Board; and
- the performance of the Board and its committees (if any).

The performance of the Board was reviewed during the year ended 30 June 2017.

A review of each Director's performance is undertaken by the Chairman, after consultation with the other directors, prior to a director standing for re-election.

Policies

The Company has adopted the following policies, each of which has been prepared or revised having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.domacom.com.au/investor-relations.

Continuous Disclosure Policy (Principle 5.1)

The Board has adopted a Continuous Disclosure Policy to ensure that it complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, which applies to all Directors, officers, employees and consultants of the Company. The Board has also delegated the authority to certain authorised spokespersons to manage the Company's compliance with its disclosure obligations and the Continuous Disclosure Policy.

Code of Conduct Policy (Principle 3.1)

This policy sets out the standards of ethical behaviour that the Company expects from its Directors, Officers, and Employees. The Board has adopted a Code of Conduct of which sets out the way in which the Group seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Group and to act in compliance with all laws and regulations.

Communication Policy (Principle 6.1-6.4)

This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

The Company has informed shareholders of all major developments affecting the Group's state of affairs as follows:

- placing all relevant announcements made to the market on the Website after they have been released to ASX;
- publishing all corporate governance policies and charters adopted by the Board on the Company Website;
- releasing information provided to analysts or media during briefings to ASX and placing such information on the Website;
- encouraging attendance and participation of shareholders at general meetings to receive updates from the CEO and Chairman on the Group's performance, ask questions of the Board and the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.
- providing investor feedback and encouraging they seek further information about the Company via the Company website;
- Management or Directors being available to meet with shareholders from time to time upon request and respond to any enquiries they may make; and
- Investors being able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

Diversity Policy (Principle 1.5)

The Diversity Policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees and aims:

- to articulate commitment to diversity within the Company at all levels (including employee level, senior executive level and Board level);
- to establish objectives and procedures which are designed to foster and promote diversity within the Company; and
- ensure a work environment is in place where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age or educational experience.

The Board has set the following measurable objectives for achieving gender diversity:

- Increase gender diversity on the Board and senior executive positions and throughout the Group. The Company currently has 20% female representation across the entire group as at 30 June 2017. The objective will be to lift this percentage across the company with the intention that a 1/3 (33%) of the employees are female on a full or part time basis by 30 June 2019.
- Promote flexible work practices to provide managers and staff with the tools to tailor flexible work options that suit both the business and the individual's personal requirements;

- Selection of new staff, the development, promotion and remuneration of staff based solely on their performance and capability; and
- Annually assess gender diversity performance against objectives set by Board.

The Company's current performance against its diversity policy objectives is as follows:

Gender Representation	30-Jun-17		30-Jun-16	
	Female	Male	Female	Male
Non-Executive Directors	0%	100%	0%	100%
Employees				
Executive Directors	0%	100%	0%	100%
Managers	14%	86%	22%	78%
Staff	24%	76%	21%	79%
Total Employees	20%	80%	20%	80%

Risk Management Policy (Principle 7.1-7.4)

This policy sets out how the Company evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

The Board is responsible for reviewing the Company's risk management framework, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Board at least annually reports on the effectiveness of the Company's risk management and internal control policies and practices. The Company does not currently have an internal audit function. The current structure for reviewing risks, controls and procedures within the Board is considered appropriate at the Company's current stage of growth and size.

The Board has reviewed the risk management framework during the financial year ended 30 June 2017.

The Company monitors its exposure to all risks, including economic, environmental and social sustainability risks. Material business risks are described in the annual report, which also outlines the Company's activities, performance during the year, financial position and main business strategies.

Compliance with ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Company is set out below:

The Company complies with all of the ASX Corporate Governance Principles and Recommendations including, as not specifically addressed above:

- That at each AGM, the external auditor attends and is available to answer questions from security holders relevant to the audit. **(Principle 4.3)**
- That shareholders have the option to receive communications from, and send communications to, the entity and its security registry electronically. **(Principle 6.4)**

except in relation to the following:

- Recommendation 2.1.(a) – the Board should establish a nomination committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.

- Recommendation 7.1.(a) –the Board should have a committee or committees to oversee risks comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 8.1.(a) – the Board should establish a remuneration committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.

The Board has carefully considered its size and composition, together with the specialist knowledge of its directors, and formed the view that based on its current composition, it has the necessary skills and motivation to ensure that the Company performs strongly, and there is sufficient accountability in the structure of the Board, to ensure the outcomes and objectives sought by the ASX Guidelines are achieved. Having regard for the size of the DomaCom Group, the Board considered that incorporating the risk management and nomination and remuneration procedures into the function of the Board has been an appropriate way of addressing the accountability and efficiencies sought to be achieved by the ASX Guidelines.

Signed in accordance with a resolution of the Board of Directors:

Grahame D Evans	**Arthur Naoumidis**
Chairman	Director
31 August 2017	

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Auditor's Independence Declaration to the Directors of DomaCom Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of DomaCom Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B L Taylor
Partner - Audit & Assurance

Melbourne, 31 August 2017

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
Revenue	4	93,045	20,642
Income recognised from research and development incentive	4	581,377	888,192
Interest Income	4	56,356	47,240
		730,778	956,074
Expenses			
Employee benefits expenses	12	(2,980,981)	(3,460,943)
Fund administration		(291,156)	(293,601)
Rent		(210,806)	(237,126)
Depreciation		(663,589)	(310,899)
Insurance		(342,890)	(114,437)
Advertising		(740,447)	(1,057,457)
Travel expenses		(160,098)	(214,467)
IT expenditure		(47,714)	(63,190)
Telephone expenditure		(56,763)	(51,213)
Professional fees		(666,871)	(506,935)
Finance costs		(81,236)	(66,673)
Director Fees		(174,204)	(166,533)
Other expenses		(450,440)	(473,158)
Total Expenses		(6,867,195)	(7,016,632)
Loss before income tax		(6,136,417)	(6,060,558)
Income tax expense	5	-	-
Loss for the period		(6,136,417)	(6,060,558)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translating foreign operations		10,895	(320)
Other comprehensive income for the period		10,895	(320)
Total comprehensive loss for the period		(6,125,522)	(6,060,878)
Earnings per share			
Basic Loss per share	15	(0.06)	(0.06)
Diluted Loss per share	15	(0.06)	(0.06)

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,705,481	1,746,197
Receivables	7	1,075,114	1,417,403
Prepayments and other assets		158,560	92,803
TOTAL CURRENT ASSETS		3,939,155	3,256,403
NON-CURRENT ASSETS			
Property, plant and equipment	8	32,378	51,456
Intangible assets	9	2,666,089	2,795,341
TOTAL NON-CURRENT ASSETS		2,698,467	2,846,797
TOTAL ASSETS		6,637,622	6,103,200
LIABILITIES			
CURRENT LIABILITIES			
Payables	10	560,418	645,464
Provisions	11	142,033	176,315
TOTAL CURRENT LIABILITIES		702,451	821,779
NON-CURRENT LIABILITIES			
Provisions	11	54,800	59,688
TOTAL NON-CURRENT LIABILITIES		54,800	59,688
TOTAL LIABILITIES		757,251	881,467
NET ASSETS		5,880,371	5,221,733
EQUITY			
Issued Capital	13	23,754,418	16,791,037
Reserves	14	776,794	945,120
Accumulated Losses		(18,650,841)	(12,514,424)
TOTAL EQUITY		5,880,371	5,221,733

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		74,550	20,642
Payments to suppliers and employees		(5,687,616)	(5,670,892)
Research and development tax offset received		1,276,823	1,186,197
Finance costs		(81,236)	(104,372)
Net cash used in operating activities		(4,417,479)	(4,568,425)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire other assets		(12,040)	-
Payments for plant and equipment		(7,305)	(53,765)
Payments for intangible assets		(881,778)	(1,548,615)
Interest Received		56,357	47,240
Net cash used in investing activities		(844,766)	(1,555,140)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue (net of costs)		6,227,809	7,952,702
Proceeds from short term loans		700,000	-
Repayment of short term loans		(700,000)	(800,000)
Net cash provided by financing activities		6,227,809	7,152,702
Net increase in cash and cash equivalents		965,564	1,029,037
Cash and cash equivalents at the beginning of period		1,746,197	720,935
Net foreign exchange difference		(6,280)	(3,775)
Cash and cash equivalents at the end of period	6	2,705,481	1,746,197

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

2017	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Opening balance at 1 July 2016	16,791,037	945,120	(12,514,424)	5,221,733
Issue of share capital	6,963,381	-	-	6,963,381
Share based payments	-	(179,221)	-	(179,221)
	23,754,418	765,899	(12,514,424)	12,005,893
Transactions with owners recorded directly in equity:				
Loss for the period to 30 June 2017	-	-	(6,136,417)	(6,136,417)
Other comprehensive income	-	10,895	-	10,895
Balance at 30 June 2017	23,754,418	776,794	(18,650,841)	5,880,371

2016	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Opening balance at 1 July 2015	8,838,435	250,663	(5,737,388)	3,351,710
Prior period adjustment			(716,478)	(716,478)
Adjusted opening balance at 1 July 2015	8,838,435	250,663	(6,453,866)	2,635,232
Issue of share capital	7,952,602	-	-	7,952,602
Share based payments	-	694,777	-	694,777
	16,791,037	945,440	(6,453,866)	11,282,611
Transactions with owners recorded directly in equity:				
Loss for the period to 30 June 2016	-	-	(6,060,558)	(6,060,558)
Other comprehensive income	-	(320)	-	(320)
Balance at 30 June 2016	16,791,037	945,120	(12,514,424)	5,221,733

This statement should be read in conjunction with the notes to the financial statements.

NOTE 1: GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of DomaCom Limited (the "Company") and its Controlled Entities (the "Group").

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). DomaCom Limited is a for-profit entity for the purpose of preparing the financial statements.

Significant Event
Capital raising activities were undertaken during the period with the listing of the company on the Australian Securities Exchange on the 7 November 2016, which resulted in the company raising $7.3m to allow for the continued commercialization of current products and product development.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Directors on 31 August 2017.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT BEEN ADOPTED EARLY BY THE GROUP

The following standards and interpretations have been recently issued or amended but are not yet effective, and have not been early adopted by the Group for the year ended 30 June 2017.

<u>AASB 9 Financial Instruments (December 2014)</u>

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT BEEN ADOPTED EARLY BY THE GROUP (CONTINUED)

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:
• classification and measurement of financial liabilities; and
• derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

When this standard is first adopted for the year ending 30 June 2019, based on detailed analysis there will be no material impact on the transactions and balances recognised in the financial statements.

<u>AASB 15 Revenue from Contracts with Customers</u>

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: AASB 15

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

When this standard is first adopted for the year ending 30 June 2019, based on detailed analysis there will be no material impact on the transactions and balances recognised in the financial statements.

<u>AASB 16 Leases</u>

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. AASB 16

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

Based on a detailed assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements, in particular:

- lease assets and financial liabilities on the balance sheet will increase respectively (based on the facts at the date of the assessment)
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Segmental Reporting

Financial information reported internally used for the allocation of resources and assessing performance is currently presented without reference to segments. Therefore profit and loss, revenues and expenses and assets and liabilities have been presented without segmentation.

(b) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of Subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interests based on their respective ownership interests.

(c) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency translation

Functional and presentation currency
The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the $AUD are translated into $AUD upon consolidation. The functional currency of the Entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged / credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(e) Revenue

Revenue arises from the investment management services provided to the DomaCom Fund and recognised on an accruals basis. Interest income and expense are reported on an accruals basis.

The DomaCom Group may be entitled to claim a refundable tax credit for eligible research and development expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The DomaCom Group accounts for a claim as an offset against eligible capitalised R&D expenditure. To the extent the claim relates to costs that were expensed as they did not meet the capitalisation criteria under AASB 138 Intangible Assets, this amount is recognised as Other Income.

(f) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Internally developed intangibles

Expenditure on the research phase of projects to develop the software platform is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the asset
- the software will generate probable future economic benefits

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All intangible assets, including the internally developed software platform, are accounted for using the cost model whereby capitalised costs are amortised on a systematic basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. Any capitalised internally developed asset that is not yet complete is not amortised but is subject to impairment testing. The following useful lives are applied:

- Software: 5 years
- Software platform costs: 5 years (see note 3s)

The DomaCom Group may be entitled to claim a refundable tax credit for eligible research and development expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The DomaCom Group accounts for a claim as an offset against eligible capitalised R&D expenditure to the extent the claim relates to capitalised expenditure.

Subsequent expenditures on the maintenance of computer software and the software platform will be expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Plant and equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

- Furniture & fittings: 5 years
- Plant & office equipment: 5 years
- Computer equipment: 3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.
Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(i) Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(j) Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified company.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables, and related party loans

Financial Liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(l) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(l) Income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

(o) Employee benefits

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Share-based payments

Share-based compensation benefits are provided to employees via the Group or Shareholders for no cash consideration.

The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the shares.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(p) Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(r) Going Concern

As a developing business the Group has experienced a loss of $6,136,417. The Group has net working capital of $3,236,704.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in continuing to grow Funds under Management ("FUM") within the DomaCom Fund. A detailed sales pipeline and forecast is continuously updated and reported to the Board on a regular basis. The strategy for continued growth includes further expanding the direct to consumer distribution channel that will work alongside DomaCom's established financial adviser network. In addition to investor and advisor selected properties, DomaCom is developing investment strategies portfolio investment opportunities and the ability to introduce leverage into investments. In addition DomaCom is focused on providing investment opportunities within the themes of regional investment, affordable housing and renewable energy. These opportunities are constantly monitored within the sales pipeline review process.

Cash flow forecasts are presented and discussed by the Board on a monthly basis. These include the forecast receipt of R&D tax claims ($1.0m expected to be received for the year ended 30 June 2017). If the forecast growth in FUM and R&D tax claims do not provide sufficient cash inflows to cover operating costs, then the options available to allow DomaCom to meet its ongoing operating commitments are analysed by the Board and alternative sources of finance and cost control measures are considered.

If these matters are not achieved, there may be significant uncertainty as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that the Group will be able to access sufficient sources of funds and implement cost control measures if required and are satisfied that the

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(r) Going Concern (continued)

Group will continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

(s) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgments

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Capitalisation of internally developed software platform

Distinguishing the research and development phases of the internally developed software platform and determining whether the recognition requirements for the capitalisation of development costs are met requires judgment. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Useful economic life of internally developed software platform

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of software. During the year management determined that the remaining useful life of the internally developed Fractional Property Investing software should be reduced from 9 years to 4 years. In making this assessment management have taken account of the likelihood of significant development being required after the remaining 4 years to ensure the platform is able to provide the required functionality in a changing and competitive technological environment.

The impact of reducing the useful life of the Fractional Property Investing software is to increase the annual depreciation charge in the current year and the following 3 years by $338,390. Thereafter the Fractional Property Investing software will be fully depreciated, therefore reducing the depreciation charge in the years 6-10 after it started being depreciated to zero compared to an annual charge of $270,712 before the reduction in the Useful Life. The Fractional Property software was first depreciated from 1 July 2015 representing the point at which it began being used commercially.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group’s future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. No deferred tax assets were recognized due to uncertainty of recoverability.

NOTE 4: REVENUE

	2017	2016
	$	$
Management Fees	93,045	20,642
Income recognised from research and development incentive	581,377	888,192
Interest Income	56,356	47,240
	730,778	956,074

Fees earned for investment management services provided to the DomaCom Fund are calculated based on fixed percentages applied to the Funds Under Management.

The DomaCom Group claims refundable tax credits for eligible research and development expenditure. The DomaCom Group accounts for a claim partially as an offset against eligible capitalised R&D expenditure. Income recognised from research and development incentive represents the amount of the claim that does not meet the criteria for offset to the extent that it has been received for expenses that did not meet the capitalisation criteria under AASB 138 Intangible Assets.

NOTE 5: INCOME TAX EXPENSE

	2017	2016
Prima facie tax on loss before income tax	(6,136,417)	(6,060,558)
Prima facie tax on loss before income tax at 27.5% (2016: 30%)	1,687,515	1,818,167
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible research and development expenses	234,887	455,257
Non-assessable research & development income	159,879	266,458
Other non-deductible expenses	(58,467)	(211,669)
Research and development tax grant received	(602,424)	(1,047,385)
Effect of different tax rate of subsidiaries operating in other jurisdiction (17%)	(23,375)	(38,837)
Unused tax losses not recognised as DTAs	(1,397,034)	(1,244,425)
Tax offsets not recognised for deferred tax	(980)	2,434
Income tax expense	-	-
Components of tax expense		
Temporary differences	-	-
	-	-

NOTE 5: INCOME TAX EXPENSE (CONTINUED)

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 27.5% (2016: 30%) disclosed in the table below have not been recognised due to uncertainty over future taxable profits in the consolidated tax group.

	2017	2016
	$	$
Deferred tax assets not recognised at the reporting date:		
Unused tax losses	3,920,461	2,717,260
Equity raising and company restructure costs	128,467	204,917
Accruals & Provisions	74,456	97,729
	4,123,384	3,019,906

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank	35,596	64,812
Cash on deposit	2,669,885	1,681,385
	2,705,481	1,746,197

Cash and cash equivalents carries a weighted average effective interest rate of 1.5% (2016: 1.9%).

During the reporting period, the Group has used the cash and assets readily convertible to cash that it had at the time of admission to the ASX in a way consistent with its business objectives as set out in the Replacement Prospectus issued as part of the listing process.

NOTE 7: RECEIVABLES

CURRENT		
Amount receivable from R&D taxation rebate	952,925	1,276,823
Amount receivable from related party	2,805	29,149
Other debtors	119,384	111,431
	1,075,114	1,417,403

Receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value.

The Group reviews all receivables for impairment. Any receivables which are doubtful have been provided for. There are no receivables past due at the reporting date. No receivables have been provided for at the reporting date.

NOTE 8: PLANT AND EQUIPMENT

	Furniture & fittings	Plant and office equipment	Computer Equipment	Total
	$	$	$	$
Year ended 30 June 2017				
Opening net book amount	2,322	1,600	47,534	51,456
Additions	-	-	7,305	7,305
Disposal	-	(318)	(1,936)	(2,254)
Depreciation charge	(1,935)	(821)	(21,352)	(24,108)
Net exchange differences	-	(21)	-	(21)
Closing net book value	387	440	31,551	32,378
At 30 June 2017				
Cost	9,677	3,633	66,974	80,284
Accumulated depreciation	(9,290)	(3,193)	(35,423)	(47,906)
Net book value	387	440	31,551	32,378
Year ended 30 June 2016				
Opening net book amount	4,258	2,429	7,358	14,045
Additions	-	-	53,765	53,765
Exchange differences	-	19	-	19
Depreciation charge	(1,936)	(848)	(13,589)	(16,373)
Closing net book value	2,322	1,600	47,534	51,456
At 30 June 2016				
Cost	9,677	4,260	62,616	76,553
Accumulated depreciation	(7,355)	(2,660)	(15,082)	(25,097)
Net book value	2,322	1,600	47,534	51,456

NOTE 9: INTANGIBLE ASSETS	Software platform	Computer software	Total
	$	$	$
Year ended 30 June 2017			
Opening net book amount at 1 July 2016	2,730,532	64,809	2,795,341
Amounts capitalised and additions	482,585	27,645	510,230
Amortisation	(609,102)	(30,380)	(639,482)
Closing net book value at 30 June 2017	2,604,015	62,074	2,666,089
At 30 June 2017			
Cost	3,483,829	130,057	3,613,886
Accumulated depreciation	(879,814)	(67,983)	(947,797)
Net book value	2,604,015	62,074	2,666,089
Year ended 30 June 2016			
Opening net book amount	2,166,607	57,534	2,224,141
Amounts capitalised and additions	834,637	31,092	865,729
Amortisation	(270,712)	(23,817)	(294,529)
Closing net book value	2,730,532	64,809	2,795,341
At 30 June 2016			
Cost	3,001,244	102,412	3,103,656
Accumulated depreciation	(270,712)	(37,603)	(308,315)
Net book value	2,730,532	64,809	2,795,341

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Software platform costs (all internally generated): 5 years
- Computer software 5 years

See Note 3 (s) for management's judgement applied in determining the useful life of intangible assets.

	2017	2016
	$	$
NOTE 10: PAYABLES		
CURRENT		
Trade creditors	486,503	561,625
Sundry creditors and other accruals	73,915	83,839
	560,418	645,464

Payables are non-interest bearing.

There are no payables where the fair value would be materially different from the current carrying value.

	2017	2016
	$	$
NOTE 11: PROVISIONS		
CURRENT:		
Employee entitlements	142,033	176,315
NON-CURRENT		
Employee entitlements	54,800	59,688

NOTE 12: EMPLOYEE REMUNERATION

	$	$
Wages, salaries	2,481,672	2,310,545
Pensions - defined contribution plans	203,670	203,883
Share based payments	203,262	694,778
Other employment benefits	92,377	251,737
	2,980,981	3,460,943

The Director Long Term Incentive Plan and Employee Long Term Incentive Plan (LTIP) was established as a retention strategy and an incentive for staff and directors to continue to work hard for the DomaCom Group. Through obtaining equity, staff are motivated to strive to make the DomaCom Group successful as they will ultimately share in the success.

All Directors (excluding the CEO) and employees who were employed on 14th of December 2015 have been granted performance rights. Mr Naoumidis, who is the key founder of DomaCom and as at the Prospectus Date is its largest shareholder did not participate in the LTIP.

The Performance Rights granted to the non-executive Directors and employees (other than Ross Laidlaw) in December 2015 will vest if the Company lists on the ASX. Vesting gives the holder of a Performance Right the right to convert some or all of their Performance Rights into ordinary shares. Each Performance Right entitles its owner to one ordinary share in the Company on conversion. The performance rights expire on 30 November 2018 and may be exercised at any time after the Company is listed up to that date.

The performance rights under the employee and non-executive director and executive director programs have an exercise price of $nil.

The Performance Rights granted to the Company's Chief Operating Officer, Executive Director Ross Laidlaw, will vest following achievement of each of the following milestones:

- the Company is admitted to the official list of ASX;
- FUM in the DomaCom Fund has reached $100 million; and
- the price at which ordinary shares in the Company have traded has reached $1.00.

NOTE 12: EMPLOYEE REMUNERATION (CONTINUED)

Performance rights were granted as follows for the reporting periods presented:

	Employee & non-executive director program	**Executive director program**
	Number of rights	Number of rights
Outstanding at 1 July 2015	-	-
Granted	1,871,593	213,929
Outstanding at 30 June 2016	1,871,593	213,929
Forfeited	(42,556)	-
Granted	42,556	-
Exercised	(764,965)	-
Outstanding at 30 June 2017	1,106,628	213,929

The fair value of performance rights granted under the executive director program was determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The fair value of performance rights granted under the employee and non-executive director program was based on the estimated share price at grant date. The following principal assumptions were used in the valuations:

	Employee & non-executive director program	**Executive director program**
Grant date	14 December 2015	14 December 2015
Vesting period ends	Up to 30 November 2018	Up to 30 November 2018
Share price at date of grant (estimate as unlisted)	$0.50	$0.50
Volatility	-	46%-60%
Performance right life	Up to 3 years	Up to 3 years
Dividend yield	-	-
Risk free investment rate	-	1.91-2.06%
Fair value at grant date	$0.50	$0.08
Exercise price at grant date	$0.00	$0.00
Exercisable from	Variable	Variable
Exercisable to	Up to 30 November 2018	Up to 30 November 2018

In total, $203,262 (2016: $694,778) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to equity compensation reserve.

NOTE 13: ISSUED CAPITAL

		2017	2016
		$	$
Ordinary shares fully paid	(a)	23,754,418	16,791,037

(a) Ordinary shares

	No.	$
2017		
Opening balance	100,795,641	16,791,037
Ordinary shares fully paid issued during the period	10,675,599	7,710,024
Share issue cost	-	(746,643)
Closing balance as at 30 June 2017	111,471,240	23,754,418
2016		
Opening balance	25,000,000	50
Ordinary shares converted from K-class during the period	66,605,641	12,560,052
Ordinary shares fully paid issued during the period	9,190,000	4,595,000
Share issue cost	-	(364,065)
Closing balance as at 30 June 2016	100,795,641	16,791,037

(b) K shares

	No.	$
2016		
Opening balance	58,667,862	8,838,385
K shares fully paid issued during the period	7,937,779	3,721,667
K-class shares converted to Ordinary shares during the period	(66,605,641)	(12,560,052)
Closing balance as at 30 June 2016	-	-

A resolution was passed in a Special General Meeting on 18 November 2015 to approve the conversion of the K class preference shares to ordinary shares. On 2 December 2015 each K class preference share was converted into an ordinary share. The existing rights attaching to the ordinary shares remained unchanged as a result of this transaction.

The amount of franking credits available for subsequent reporting periods are:

	2017	2016
	$	$
Deferred debit balance of franking account at the beginning of the reporting period	3,744,787	2,457,964
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	952,925	1,286,823
Balance of franking account adjusted for deferred debits arising from past R&D offsets received and expected R&D tax offset to be received for the current year	4,697,712	3,744,787

NOTE 13: ISSUED CAPITAL (CONTINUED)

The Group has the capital management objective of ensuring the Group's ability to continue as a going concern.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares.

NOTE 14: RESERVES	2017	2016
	$	$
Share based payment reserve	249,600	249,600
Equity Compensation Reserve	515,556	694,777
Foreign Currency Translation Reserve	11,638	743
	776,794	945,120

2017	Share based payment reserve ($)	Equity Compensation Reserve ($)	Foreign Currency Translation Reserve ($)
Opening balance	249,600	694,777	743
Recognition of performance rights issued during the period	-	203,262	-
Exercise of performance rights	-	(382,483)	-
Translation of foreign operation net assets and results	-	-	10,895
Closing balance	249,600	515,556	11,638

2016	Share based payment reserve ($)	Equity Compensation Reserve ($)	Foreign Currency Translation Reserve ($)
Opening balance	249,600	-	1,063
Recognition of performance rights issued during the period	-	694,777	-
Translation of foreign operation net assets and results	-	-	(320)
Closing balance	249,600	694,777	743

Share based payment reserve is used to recognise the grant date fair value of shares issued to employees by the Group or Shareholders. The equity compensation reserve represents amounts expensed over the vesting period for performance rights issues to staff and directors. Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency reserve.

NOTE 15: EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (DomaCom Limited) as the numerator (i.e. no adjustments to profit were necessary in 2017 or 2016). The weighted average number of shares used in the calculation of the earnings per share is as follows:

	2017	2016
Amounts in thousands of shares:		
- weighted average number of shares used in the basic earnings per share	107,959	94,016

NOTE 16: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	$	$
Loss for the period	(6,136,417)	(6,060,558)
Adjustments for:		
Depreciation and amortisation	663,589	310,899
Share based payments	203,262	694,778
Interest received	(56,356)	(47,240)
Expense recognised in respect of shares issued	353,087	-
Research & development grant offset against intangible assets	371,548	682,886
Net foreign exchange (gain)/loss	17,197	3,214
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	288,572	(460,515)
Increase/(decrease) in trade payable and accruals	(82,790)	204,838
Increase/(decrease) in employee provisions	(39,171)	103,273
Net cash used by operating activities	(4,417,479)	(4,568,425)

NOTE 17: AUDITOR REMUNERATION

Audit and review of financial statements		
Auditors of DomaCom Limited - Grant Thornton Australia	62,710	44,035
Overseas Grant Thornton network firms	8,142	7,947
Remuneration from audit and review of financial statements	70,852	51,982
Other Services		
Auditors of DomaCom Limited - Grant Thornton Australia		
- taxation compliance	6,880	70,802
- investigating accountants report	21,670	30,720
Total other service remuneration	28,550	101,522
Total auditor's remuneration	99,402	153,504

NOTE 18: RELATED PARTY TRANSACTIONS

Key management personnel compensation		
Salaries	594,739	575,342
Total short term employee benefits	594,739	575,342
Long service leave	5,037	8,067
Total other long-term benefits	5,037	8,067
Pensions - defined contribution plans	56,501	54,658
Total post-employment benefits	56,501	54,658
Share based payments	10,639	17,114
Total remuneration	666,916	655,181

The term of the share based payments in the form of performance rights are set out in Note 12. Key management personnel are employees of DomaCom Australia Limited, a controlled entity of the Company

Transactions between the Group and its related parties

During the financial year ended 30 June 2017, the following transactions occurred between the Group and its other related parties:

DomaCom Australia Limited, a controlled entity of the Company, received management fees for managing the DomaCom Fund. Management fees recognised during the financial year were $93,045 (2016: $20,642).

DomaCom Australia Limited held cash in the DomaCom Fund. Interest earned during the financial year was $35,530 (2016: $32,785). At 30 June 2017, cash held in the DomaCom Fund amounted to $2,629,885 (2016: $1,681,385).

DomaCom Australia had an unsecured receivable balance with the DomaCom Fund of $2,805 (2016: $29,149) representing upfront sub-fund set-up costs to be subsequently reimbursed by the DomaCom Fund.

NOTE 19: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

	2017	**2016**
NOTE 20: COMMITMENTS	**$**	**$**
Operating lease commitments:		
No later than 12 months	211,357	221,496
Between 12 months and 5 years	17,678	16,901
Greater than 5 years	-	-
Minimum lease payments	229,035	238,397

Operating leases entered into by the Group relate to its office rental obligations (Melbourne and Sydney offices).

NOTE 21: INTERESTS IN SUBSIDIARIES

Name of Subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group
DomaCom Australia Limited	Australia	Provision of Investment Management Services and development of platform to fractionalise assets	100%
DomaCom Singapore Private Limited	Singapore	Sales and marketing of fractionalised asset product	100%
DomaCom Platform Services Pty Ltd	Australia	Development of platform to fractionalise assets	100%

NOTE 22: FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial Assets		
Cash and cash equivalents	2,705,481	1,746,197
Trade and other receivables #	1,075,114	1,417,403
	3,780,595	3,163,600
Financial Liabilities		
Trade and other payables #	486,503	561,625
	486,503	561,625

Carried at amortised cost and repayable within 6 months

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised above. The main types of risks are liquidity risk, credit risk and market risk.

The Company's risk management is coordinated through the Chief Compliance and Risk Officer, in close cooperation with the Board of Directors (the "Board") and the Financial Controller.

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available cash in order to maintain a cash surplus. Funding for long-term liquidity needs sourced through additional capital raising.

The Group's financial liabilities have contractual maturities (including interest payments where applicable) of less than 6 months.

NOTE 22: FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised in Note 7.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk analysis

The Group is exposed to market risk through currency and interest rate risk.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those translated into $AUD at the closing rate:

	2017	2016
Foreign Currency Sensitivity	**$**	**$**
SGD		
Financial assets	3,110	11,837
Financial liabilities	-	-
Total Exposure	3,110	11,837

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the $SGD/$AUD exchange rate 'all other things being equal'. It includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rates. It assumes a +/- 10% change of the $SGD/$AUD exchange rate for the year ended at 30 June 2017 (2016: 10%).

If the $SGD had strengthened against the $AUD by 10% (2015: 10%) this would have had the following impact through an increase in the Foreign Currency Translation Reserve:

	2017	2016
	$	**$**
Equity	283	1,187

For a 10% weakening of $SGD against $AUD there would be a comparable reduction in the Foreign Currency Translation Reserve.

NOTE 22: FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Sensitivity

The Company's policy is to minimise interest rate risk exposures. Interest income is earned on deposits held. The rate is reviewed on a regular basis to ensure it remains in line with the expected rate of return. Interest expense incurred on any short term borrowings is assessed to ensure it is in line with market expectations. The Company's policy is not to enter into any long term borrowing.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2016: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Loss for the period $ +1%	Loss for the period $ -1%
30 June 2017	(34,373)	34,373
30 June 2016	(22,897)	22,897

NOTE 23: PARENT ENTITY INFORMATION	**2017 $**	**2016 $**
Current Assets	952,925	1,277,270
Total Assets	23,963,141	17,364,191
Current Liabilities	-	-
Total Liabilities	-	-
Net Assets	23,963,141	17,364,191
Issued Capital	23,754,418	16,791,037
Share based payment reserve	249,600	249,600
Equity compensation reserve	515,556	694,777
Retained earnings	(556,433)	(371,223)
Total Equity	23,963,141	17,364,191

NOTE 24: SUBSEQUENT EVENTS

Subsequent to balance date and prior to the issuing of this report, the following events have occurred:

- The Group's Research and Development tax incentive claim is currently being lodged with AusIndustry for an amount of $952,925

There have been no other events subsequent to period end that require disclosure.

DIRECTORS' DECLARATION

In the opinion of the directors of DomaCom Limited

a the consolidated financial statements and notes of DomaCom Limited are in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial period ended on that date; and

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

b there are reasonable grounds to believe that DomaCom Limited will be able to pay its debts as and when they become due and payable, and

c DomaCom Limited has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Grahame D Evans	**Arthur Naoumidis**
Chairman	Director

31 August 2017

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Independent Auditor's Report to the Members of DomaCom Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of DomaCom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(r) in the financial statements, which indicates that the Group incurred a net loss of $6,136,417 during the year ended 30 June 2017, and as of that date, the Group's net working capital was $3,236,704. As stated in Note 3(r), these events or conditions, along with other matters as set forth in Note 3(r), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Grant Thornton

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition of R&D tax incentive (Note 5)	
The Group accounts for the R&D tax incentive as a Government Grant. This area is a key audit matter due to the inherent subjectivity that is involved in the Group making judgements in relation to the calculation and recognition of the R&D tax incentive income and receivable.	Our procedures included, amongst others: • making enquiries with management to obtain and document an understanding of their process to calculate the R&D tax incentive; • evaluation of management's processes and controls to determine if it appropriately addresses the risks; • obtaining calculations prepared by management and agree amounts claimed to supporting expenditure; • reviewing historical reliability of estimates and budgets to support the reliability of the estimate; • involving our specialists to perform a review of the calculation to determine eligibility of costs claimed; and • assessing the adequacy of financial statement disclosures.
Capitalisation of Software development costs (Note 9)	
The Group capitalises costs that are directly attributable to the development of intangibles assets in accordance with *AASB 138 Intangible Assets*. *AASB 138 Intangible Assets* requires that an entity only capitalise costs that can be directly attributed to the development of an intangible asset. This area is a key audit matter due to the inherent subjectivity required in determining whether the costs capitalised meet the measurement requirements of *AASB 138 Intangible Assets*.	Our procedures included, amongst others: • evaluation of supporting workings and assumptions provided and used to substantiate the costs capitalised by management; • assessing expenditure capitalised to determine whether costs are directly attributable to the development of the intangible and meet the recognition requirements under the accounting standards; • assessing the allocation of costs between separately identifiable intangible assets: and • corroborating costs capitalised against the R&D incentive claim lodged to ensure consistency where appropriate.
Intangible assets – Useful life (Note 9)	
The Company has determined that it has intangible assets with a finite useful life in accordance with *AASB 138 Intangible Assets.* *AASB 138 Intangible Assets* requires that an entity reviews the amortisation period and the amortisation method for an intangible asset with a finite useful life annually. This area is a key audit matter due to the inherent subjectivity in determining the expected useful life of the intangible asset and the period over which the asset is expected to economic benefits.	Our procedures included, amongst others: • evaluating management's assessment of the expected life of the intangible asset and the key assumptions that formed the basis of determining the useful life used.; and • gaining an understanding of the purpose and functionality of the intangible asset and how this supports the useful life.

Key audit matter	How our audit addressed the key audit matter
Intangible assets– Impairment (Note 9)	
The Company has an intangible asset recorded on the Statement of Financial Position totalling $2,604,015 relating to development costs capitalised as software intangibles. *AASB 136 Impairment of Assets* requires that an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any indication exists, the entity shall estimate the recoverable amount of the asset. The Company generated operating losses in the current financial year which is an indication the intangible asset may be impaired. This area is a key audit matter due to the inherent subjectivity required in measuring the recoverable amount.	Our procedures included, amongst others: • obtaining and reading management's assessment of potential impairment indicators; • testing mathematical accuracy of management's calculations; • evaluating the reasonableness of management's revenue and cost forecasts; • assessing historical reliability of budgets and forecasts to support managements estimation process; and • assessing appropriateness of financial statement disclosures.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 14 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of DomaCom Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B L Taylor
Partner - Audit & Assurance

Melbourne, 31 August 2017

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 30 August 2017.

Substantial shareholders

	Number of shares held
ARTHUR NAOUMIDIS & KATHRYN NAOUMIDIS <NAOUMIDIS A/C>	18,359,952

Voting rights

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

Performance Rights: No voting rights.

Distribution of equity security holders

Holdings Ranges	Ordinary Shares	Performance Rights
1-1,000	8	-
1,001-5,000	215	-
5,001-10,000	129	-
10,001-100,000	249	7
100,001-99,999,999,999	163	3
Totals	**764**	**10**

Twenty (20) largest shareholders	Number of shares held	% of issued shares
ARTHUR NAOUMIDIS & KATHRYN NAOUMIDIS <NAOUMIDIS A/C>	18,359,952	16.38%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,681,242	5.07%
UCAN NOMINEES PTY LTD <COWEN FAMILY A/C>	4,797,445	4.28%
SONENBERG SUPERANNUATION PTY LTD <N SONENBERG SUPER FUND A/C>	4,663,333	4.16%
MR GRANT RAYMOND SNIBSON & MRS SNIBSON <SNIBSON SUPER FUND A/C>	3,083,333	2.75%
CATHRYN NOLAN & STEPHEN JOYCE <NOLAN JOYCE FAMILY A/C>	3,037,982	2.71%
GOLFER'S DELIGHT PTY LTD <GRAHAM GEORGE GORMAN S/F A/C>	2,925,000	2.61%
TORONTO COVE PTY LTD <TORONTO COVE SUPER FUND A/C>	2,562,500	2.29%
TRADING PURSUITS PTY LTD	2,072,165	1.85%
MR WARREN GIBSON	1,822,634	1.63%
ROSS LAIDLAW & SOFIE LAIDLAW	1,585,000	1.41%
NICHOLAS STANBOULTGIS & KIM MYERS <STANBOULTGIS SUPER FUND>	1,418,200	1.27%
MCCONNELL SUPERANNUATION PTY LTD	1,313,459	1.17%
NO TAX BILL PTY LTD <ACANTO SUPER FUND A/C>	1,280,000	1.14%
GRAYSON NOMINEES PTY LTD <G R SNIBSON FAMILY TRUST>	1,200,000	1.07%
MCCONNELL SUPERANNUATION PTY LTD <MCCONNELL SUPER FUND A/C>	1,186,541	1.06%
PPA PTY LTD <SAMTOD SUPER FUND>	1,166,667	1.04%
KRAM NAMDOT PTY LTD <MASTOD SUPERANNUATION FUND>	1,138,128	1.02%
NEMA NOMINEES PROPRIETARY LTD	1,050,000	0.94%
TELDAR CAPITAL PTY LTD <DATROTA HOLDING A/C>	954,937	0.85%
Total Securities of Top 20 Holdings	**61,298,518**	**54.70%**

Unissued equity securities

Number of performance rights issued under the Employee & non-executive director program and the Executive director program: 724,013.

Securities exchange

The Company is listed on the Australian Securities Exchange.

DOMACOM LIMITED
ABN 69 604 384 885
CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Arthur Naoumidis
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Ross A Laidlaw

COMPANY SECRETARY

Philip JR Chard

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