ABN 64 089 145 424

DUBBER CORPORATION LIMITED

Annual Report
30 June 2016

Corporate Directory

Board of Directors
Peter Pawlowitsch
Non-Executive Chairman

Steve McGovern
Managing Director

Ken Richards
Non-executive Director

Ian Hobson
Company Secretary

Share Register
Automic Registry Services
Suite 1A, Level 1, 7 Ventnor Avenue
West Perth WA 6005

Telephone +61 8 9324 2099
Facsimile +61 8 9321 2337

Auditor
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Securities Exchange
Dubber Corporation Limited shares are
listed on the Australian Securities Exchange

ASX Code: DUB

Principal and Registered Office in Australia
Suite 5, 2 Russell Street
Melbourne VIC 3000

Telephone: +61 3 8566 7888

Website: www.dubber.net

Solicitor
Nova Legal
Ground Floor, 10 Ord Street
West Perth WA 6005

Banker
Westpac Banking Corporation Limited
150 Collins Street
Melbourne VIC 3000

Chairman’s Letter

Dear Shareholders

2016 has been an exciting year for the Company as it continues to focus on its stated goals of targeting the extension of its distribution channels and through these channels increasing its customer base. In addition the Company has continued to expand and increase its product suite.

Dubber is the world's most scalable call recording platform, one that enables a telecommunications company (“telco”) to enable entire networks of customers. This takes the notion of call recording from its limited user cases associate with hardware models into the realm of voice data capture on a huge scale. In turn, this provides opportunity for both telco’s and customers to use that voice data in ways that they have never previously considered. As well as traditional call recording uses it now extends to efficiencies, embedding in work flow optimisation platforms and monetising new Value Added Services (VAS) which can be connected to the Dubber platform via it’s open API structure. Through Dubber’s true Software-as-a-Service (SaaS) offering we enable our customers to implement and manage recordings as never before without the need for hardware or capital expenditure.

Given the Dubber platform core attributes, the strategy of the Company is to integrate its services at a telco network level, as this is where calls take place and providing the greatest opportunity.

During 2016 the Company’s key areas of focus has been:

- Engagement and working through the procurement process with many telcos, noting that this can be quite a protracted process

- Expand its connectivity via other technology methodologies

- Commercialise ground breaking technologies which would demonstrate the core philosophy and technical capability of the Dubber platform and illustrate the growth opportunities for the Company in new markets.

- Expanded internationally to facilitate the above aims on a global basis

Dubber is a company which has a business opportunity which is truly scalable and globally deployable.

Over the next financial year, the Company’s targets are to drive usage and revenues through its existing commercial relationships whilst continuing to expand its distribution channels primarily through telcos and expanding the product offerings these telcos can provide their customers.

On behalf of the Board, I would like to thank all staff and contractors for their contribution to the continuing development of the Company. I would also like to thank our shareholders for their continued support.

Yours faithfully

Peter Pawlowitsch
Chairman

Review of Operations

Corporate Highlights

September 2015:	Achievement of Management Performance Milestone and 1,000,000 Performance Shares were converted to Ordinary Shares
November 2015:	Completed a heavily institutionally backed placement of $5,689,699 being 12,643,778 shares at $0.45 each. The capital was raised in two stages, with the first stage of $3.9 million completed under the company's existing share issuance capacity. The balance of the capital raised ($1.8 million) was subject of shareholder approval at the Annual General Meeting (AGM), held on Friday, 20 November 2015 in Melbourne.
December 2015:	Achievement of Management Performance Milestones, 1,800,000 Performance Shares were converted to Ordinary Shares and 2,700,000 Performance Options were converted into unlisted Options with an exercise price of $0.40 Allotted 268,888 Ordinary Shares in return for services.
February 2016:	Gavin Campion resigned from the Board.

Business Operations

Overview

For the financial year to 30 June 2016 the Group revenue associated with the Dubber business was $457,699 (for the period to 30 June 2015 was $62,203). The Group net loss for the financial year was $9,300,655 (for the period to 30 June 2015 was $1,190,196). This was the expected position as the business is in the early stages of commercialisation.

The Company's key areas of focus have been;
Achievement of wholesale/ partnering agreements with telecommunications service providers which would provide the foundation for the company's immediate future, both in terms of users and revenues.
Commercialisation of ground breaking technologies which would demonstrate the core philosophy and technical capability of the Dubber platform and illustrate the growth opportunities for the company in new markets.

To this end, Dubber has targeted twenty telecommunications service providers' agreements by calendar year end of 2016.

Dubber has also demonstrated the core attributes of the platform with its productisation of the 'On Demand' recording capability and the 'Playback' feature.

Business Activities

During the year the Company was successful in its stated goals of targeting the extension of its distribution channels and through these channels increasing its customer base. In addition the Company has continued to expand and increase its product suite.

The Company has had significant engagement with a number of telecommunication partners across Asia, Europe, APAC and North America into 'Dubber Labs', the first step in the procurement/ sales process with the most advanced discussed further below.

Asia

In July 2015, the Company launched into Asia and appointed a Master Distributer Go Cloud IT Pte Ltd. Go Cloud IT Pte Ltd provides distribution channels to the Asian markets, through a proven sales channel. From Singapore, Go Cloud IT Pte Ltd extends its distribution reach into the South East Asian markets, and into North Asia.

Then in March 2016 the Company signed a Memorandum of Understanding (MOU) with a Singapore based telecommunications company with both companies working towards completing a Master Services Agreement (MSA) during the September quarter. The MSA is expected to deliver approximately $50,000 monthly recurring revenue when it commences with a commitment to customer numbers and, in turn, revenue growing each quarter. We are confident this partnership alone will deliver at least 20,000 monthly ‘reserved’ subscribers within the first 12-months from commencement, plus ‘on demand’ customers, thereby potentially delivering over $200,000 monthly recurring revenue.

In May 2016, Dubber was selected by BroadSoft Japan KK as the call recording platform for its BroadCloud® and UCOne® service for Japanese telecommunications carriers. The agreement means that, as opposed to Dubber having to engage with the telco sector directly, Dubber’s platform will be the BroadSoft branded recording product provided as a standard ‘tick and pick’ feature to all telcos and their customers as part of the BroadCloud service. BroadCloud is a fully managed service that allows service providers to deliver BroadSoft’s comprehensive UC-One mobile-first unified communications services to new and existing customers. BroadCloud eliminates the need for service providers to make substantial capital investments and speeds time-to-market for new service offerings.

Europe

In the first quarter 2016, Dubber formerly opened its European office in London. Since that time the number of staff based in London has grown to four. The team in Europe has had considerable success in a short time frame.

In March 2016, the Company signed a leading distribution and deployment partner in Siphon Networks Ltd (Siphon). Siphon is a leading European player in the innovation, delivery, integration and support of advanced Voice & Unified Communications technology. Siphon will resell Dubber services to its existing Service Provider and Enterprise clients. Siphon has been a leading and trusted partner in the deployment of BroadSoft BroadWorks technology for six years and is ideally placed to provide Dubber’s unique recording platform which is designed to enable an entire network customer base to capture and use voice data. Siphon has been the driving force behind the design, delivery and support of many UK and European Telephony Provider platforms in enabling the delivery of cloud-based Unified Communications (UC) services.

During the year the Company signed its first two UK based telecommunications companies; The Voice Factory in September 2015 and AVC One in June 2016. With both these companies connecting their first customers onto the platform.

The half year has seen the foundations laid for substantial growth with European telcos engaged at various levels including testing the service via ‘Dubber labs.’

APAC

In August 2015, Dubber entered into an agreement with Gateway ICT Pty Ltd (Gateway) to become a reseller. Gateway is a Tier 1 ICT solutions provider within Australia and have a strong reputation to achieve word class IT deployments for their customers. As a Cisco Premier Certified Partner, Telstra Enterprise Partner and through the other value-added services portfolio, Gateway ICT is positioned to serve customers as the trusted technology advisor.

During the second half of the year the Company entered into MOU’s with Macquarie Telecom and MyNetFone. The Company is currently finalising the negotiations with both companies on their MSA’s.

In November 2015, the Company was chosen to provide a tailored solution to one of Australia’s Big 4 Banks. This project is subject to a strict Non-Disclosure Agreement. The project demonstrates Dubber's versatility in the enterprise sector, differentiates our offer from competitors and provides many additional potential revenue streams. The first part of the project has been successfully completed.

In addition the Company has entered into a number of additional agreements with telecommunications service providers along with reseller and deployment partners in the SME marketplace to sell and deploy the Dubber product offerings. This includes national and regional telco SPs, Cisco re-sellers and an APAC subsidiary of a large international telco.

North America

In November 2015, the Company signed an agreement with BluIP to become the first Company to take Dubber's "on demand' product. BluIP is a premier BroadSoft service provider with customers across North America. BluIP supplies enhanced Unified Cloud Communication services and tailored applications to small to medium sized and large enterprises through a network of partner and resellers and direct sales organisation.

The Company signed an agreement with Oxilio Inc of Canada, as a distributor/ reseller of Dubber. Oxilio is an expert provider of call recording and capture technology to major Telcos in both Canada and the USA, and was introduced by one of its telco customers, as Oxilio is an approved supplier to that telco to assist in accelerating the procurement of Dubber. Oxilio has previously provided traditional call recording services as part of its IT consultancy services suite and has made the move of switching to Dubber for its industry disruptive capabilities.

Technology developments

- Launch of the Dubber Playback product, which has the potential ability to revolutionise the way that telephone calls are managed across all networks (mobile and fixed) in all market sectors (consumer through to enterprise)
- Expansion of connectivity methodologies from BroadSoft backed telco networks through to hardware and platform connectors, such as. Cisco and other Unified Communications platforms.

Over the next financial year, the Company's targets are to drive usage and revenues through its existing commercial relationships whilst continuing to expand its distribution channels primarily through telecommunications companies and expanding the product offerings these telecommunications companies can provide their customers.

Directors' Report

Your directors present their report of Dubber Corporation Limited and its controlled entities (the Group) for the financial year ended 30 June 2016.

DIRECTORS

The names of the directors of the Company in office during the financial year and up to the date of this report are as follows:

Steve McGovern	Managing Director
Peter Pawlowitsch	Non-executive Chairman
Gavin Campion	Non-executive Director (resigned 2 February 2016)
Ken Richards	Non-executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each Director are as follows:

Mr Steve McGovern — **Managing Director**

Experience

Steve McGovern is a founder of Dubber Pty Ltd. He has over 24 years' experience in the fields of telecommunications, media sales, pay TV and regulatory. Mr McGovern has been a senior executive of several established companies, both domestically and internationally, which have been primarily associated with new and emerging markets and have required a strong sales and solutions focus.

Interest in Shares and Options at the date of this report

- 4,266,124 ordinary shares
- 3,541,347 vendor performance shares expiring 27 May 2017
- 1,200,000 unlisted options exercisable at $0.40 each and expiring 30 June 2018

All shares and options are held indirectly.

Directorships held in other listed entities in the past three years

- Linius Technologies Limited (18 April 2016 – present)

Mr Peter Pawlowitsch — **Non-executive Chairman**

Experience

Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practising Accountants of Australia and also holds a Master of Business Administration from Curtin University.

These qualifications have underpinned more than thirteen years' experience in the accounting profession and more recently in business management and the evaluation of businesses and mining projects.

Interest in Shares and Options at the date of this report	• 670,000 ordinary shares • 200,000 unlisted options exercisable at $0.25 each and expiring 25 November 2016 • 600,000 unlisted options exercisable at $0.40 each and expiring 30 June 2018 All shares and options are held indirectly
Directorships held in other listed entities in the past three years	• Ventnor Resources Limited (12 February 2010 – present) • Department 13 International Limited (30 January 2012 – 18 December 2015) • Knosys Limited (16 March 2015 – present) • Novatti Group Limited (19 June 2015 – present)

Mr Ken Richards	**Non-executive Director**
Experience	Mr Richards has in excess of 25 years' experience as a Managing Director in various companies listed and unlisted and in various industries. He holds a Bachelor of Commerce and Master of Business Administration degrees from the University of Western Australia and is a fellow of the Australian Institute of Company Directors.
Interest in Shares and options at the date of this report	• 745,776 ordinary shares held indirectly • 200,000 unlisted options exercisable at $0.25 each and expiring 25 November 2016, held directly • 150,000 unlisted options exercisable at $0.40 each and expiring 30 June 2018, held indirectly
Directorships held in other listed entities in the past three years	• Leaf Resources Limited (31 August 2007 – present)

Mr Gavin Campion	**Non-executive Director (resigned 2 February 2016)**
Experience	Gavin Campion is a start-up and turnaround entrepreneur and operator in Cloud based technology markets. He has acted as CEO and/or founded a number of successful digital services and technology companies. Mr Campion has an honours degree in marketing from the UK.
Interest in Shares and Options at the date of this report	• 1,100,000 ordinary shares • 3,000,000 management performance shares expiring 27 May 2017 • 150,000 unlisted options exercisable at $0.40 each and expiring 30 June 2018 All shares and options are held indirectly.
Directorships held in other listed entities in the past three years	• Knosys Limited (30 April 2015 – 2 February 2016)

Company Secretary

Mr Ian Hobson was appointed as Company Secretary on 17 October 2011 and holds a Bachelor of Business degree and is a Chartered Accountant and Chartered Secretary. Mr Hobson provides company secretary services and corporate, management and accounting advice to a number of listed public companies.

CORPORATE INFORMATION

Corporate Structure
Dubber Corporation Limited is a limited liability company that is incorporated and domiciled in Australia. Dubber Corporation Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Dubber Corporation Ltd	-	parent entity
Medulla Group Pty Ltd	-	100% owned controlled entity
Dubber Pty Ltd	-	100% owned controlled entity
Dubber Ltd (UK)	-	100% owned controlled entity

Principal Activities
The principal continuing activities of Dubber Corporation Limited and its controlled entities consisted of provision of call recording and audio asset management in the cloud.

OPERATING AND FINANCIAL REVIEW

Review of Operations
A review of operations for the financial year and the results of those operations is contained within the review of operations preceding this report.

Operating Results
The loss from ordinary activities after providing for income tax amounted to $9,300,655 (2015: $1,526,887).

Financial Position
At 30 June 2016 the Group had net assets of $10,888,798 (2015: $12,088,369) and cash reserves of $2,563,767 (2015: $1,697,415).

Dividends
No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the review of operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial 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 subsequent financial years, other than outlined in the review of operations preceding this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to pursue its principal activity of rolling out and developing its cloud based call recording and audio asset management platform.

MEETINGS OF DIRECTORS

The numbers of meetings of directors held during the year and the numbers of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Mr Steve McGovern	4	4
Mr Peter Pawlowitsch	4	4
Mr Gavin Campion (resigned 2 February 2016)	3	3
Mr Ken Richards	4	4

REMUNERATION REPORT (Audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

The following persons were directors of Dubber Corporation Limited during the financial year:

Steve McGovern	Managing Director
Peter Pawlowitsch	Non-executive Chairman
Gavin Campion	Non-executive Director (resigned 2 February 2016)
Ken Richards	Non-executive Director

Other persons that fulfilled the role of a key management person during the year, are as follows:

James Slaney	General Manager
Chris Jackson	Chief Technology Officer
Adrian Di Pietrantonio	General Manager, Channels

Overview of remuneration policies

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Directors and executives of the Consolidated Entity.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity, including Directors of the Company and other executives. Key management personnel comprise the Directors of the Company, and executives for the Company and the Consolidated Entity including the key management personnel.

Broadly, remuneration levels for key management personnel of the Company and key management personnel of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced Directors and executives and reward the achievement of strategic objectives. The Board obtains independent advice on the appropriateness of remuneration packages of both the Company and the Consolidated Entity given trends in comparative companies both locally and internationally, and the objectives of the Company's remuneration strategy.

Remuneration packages consist of fixed remuneration including base salary, employer contributions to superannuation funds and non-cash benefits.

The Company has a variable remuneration package for Directors, which involves Performance Shares. This plan allows Directors to convert Performance Shares to fully paid ordinary shares for nil cash consideration, subject to performance based vesting conditions.

Discretionary bonuses were paid to Mr Steve McGovern ($150,000), Mr James Slaney ($16,667) and Mr Adrian Di Pietrantonio ($40,000). The bonus therefore vested 100% during the financial year ended 30 June 2016. Mr McGovern's bonus was awarded for achieving key performance indicators as determined by the Board on a six monthly basis. The bonuses for Mr Slaney and Mr Pietrantonio were paid for achieving key performance indicators set by the Managing Director for achieving sales and operating targets.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicle), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Consolidated Entity. The Board has regard to remuneration levels external to the Consolidated Entity to ensure the Directors' and executives' remuneration is competitive in the market place.

Executive Directors are employed full time and receive fixed remuneration in the form of salary and statutory superannuation or consultancy fees, commensurate with their required level of services.

Non-Executive Directors, unless otherwise specified by any non-executive and consultancy service agreement in place, receive a fixed monthly fee for their services. Where Non-Executive Directors provide services materially outside their usual Board duties, they are remunerated on an agreed retainer or daily rate basis.

Service agreements

It is the Consolidated Entity's policy that service agreements for key management personnel are unlimited in term but capable of termination on 3 months' notice and that the Consolidated Entity retains the right to terminate the service agreements immediately, by making payment equal to 3 months' pay in lieu of notice.

The service agreement outlines the components of compensation paid to key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed annually on a date as close as possible to 30 June of each year to take into account key management personnel's performance.

Certain key management personnel will be entitled to bonuses as the Board may decide in its absolute discretion from time to time, to a maximum of 50% of the key management personnel's annual base salary per annum.

Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2014 Annual General Meeting, is not to exceed $500,000 per annum and has been set at a level to enable the Company to attract and retain suitably qualified Directors. The Company does not have any scheme relating to retirement benefits for Non-Executive Directors.

Relationship between the remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based rights subject to performance based vesting conditions, and the second being the issue of options or shares to key management personnel to encourage the alignment of personal and shareholder interests.

Share-based payment arrangements

Options

The Company operates an Employee Share Option Plan ("ESOP") for executives and senior employees of the Consolidated Entity. In accordance with the provisions of the ESOP, executives and senior employees may be granted options to purchase ordinary shares at an exercise price to be determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible persons after the Board considers the person's seniority, position, length of service, record of employment, potential contribution and any other matters which the Board considers relevant.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is determined by the Board.

To date, options granted under the ESOP expire within thirty six months of their issue, or immediately on the resignation of the executive or senior employee, whichever is the earlier.

Employment Details of Directors and other Key Management Personnel

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Steve McGovern	**Managing Director**
Agreement type:	Executive service agreement (MD Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	No fixed term
Remuneration:	Annual salary of $240,000 plus statutory superannuation
Termination notice:	During the first 6 months of the MD Agreement, the Company may terminate the agreement on 3 months notice, or by providing a cash payment in lieu of such notice equal to the salary payable for the remainder of the first 6 months of the MD Agreement (subject to the limitation of the Corporations Act and Listing Rules). After this, the Company may terminate the agreement on 3 months notice.

Peter Pawlowitsch	**Non-executive Chairman**
Agreement type:	Letter of appointment
Agreement commenced:	1 December 2014
Term of Agreement:	No fixed term
Remuneration:	Annual fee of $76,650 (inclusive of statutory superannuation) plus reimbursement of all reasonable expenses incurred in performing the Chairman's duties
Termination notice:	In the event Peter is removed as a director by shareholders under the Corporations Act or Constitution, or is unable to perform his duties, he is entitled to receive a termination payment of 3 months worth of his director's fee (subject to the limitation of the Corporations Act and Listing Rules).

Gavin Campion	**Non-executive Director**
Agreement type:	Non-executive and consultancy service agreement for services as a non-executive director and consultant
Agreement commenced:	2 March 2015
Term of Agreement:	No fixed term
Remuneration:	Nil director's fees are payable; a consultancy fee of $219,000 per annum (plus GST); and 4 million Management Performance Shares which are exercisable into Shares in the Company upon the Management Performance Milestones
Termination notice:	The parties may terminate the Consultancy Agreement by giving 3 months notice (or payment in lieu of such notice on the part of the Company). In the event the Consultancy Agreement is terminated, Gavin is entitled to payment of any outstanding amounts owing up to the date of termination, not including any unexpired term of the Consultancy Agreement (subject to the limitation of the Corporations Act and Listing Rules).

Ken Richards	**Non-executive Director**
Agreement type:	Letter of appointment
Agreement commenced:	1 December 2014
Term of Agreement:	No fixed term
Remuneration:	Annual fee of $40,000 (inclusive of statutory superannuation) plus reimbursement of all reasonable expenses incurred in performing the Non-executive Director's duties
Termination notice:	In the event Ken is removed as a director by shareholders under the Corporations Act or Constitution, or is unable to perform his duties, he is entitled to receive a termination payment of 1 months worth of his director's fee (subject to the limitation of the Corporations Act and Listing Rules).

James Slaney	**General Manager**
Agreement type:	Executive service agreement (GM Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	Same terms as termination notice below:
Remuneration:	Annual salary of $200,000 plus statutory superannuation
Termination notice:	Until the earlier of achievement of all the Vendor Performance Milestones or the first 27 months of the GM Agreement, the Company may terminate the agreement on 3 months notice, or by providing a cash payment in lieu of such notice equal to the salary payable for the remainder of the first 27 months of the GM Agreement. After this, the Company may terminate the agreement on 3 months notice.

Chris Jackson	**Chief Technology Officer**
Agreement type:	Employment agreement (CTO Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	No fixed term
Remuneration:	Annual salary of $180,000 plus statutory superannuation, increased to $200,000 plus statutory superannuation as from 1 January 2016
Termination notice:	Standard 4 week notice periods for termination apply to the CTO Agreement in accordance with statutory requirements.

Adrian Di Pietrantonio	**General Manager, Channels**
Agreement type:	Executive service agreement (GMC Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	Same terms as termination notice below:
Remuneration:	Annual salary of $165,000 plus statutory superannuation
Termination notice:	Until the earlier of achievement of all the Vendor Performance Milestones or the first 27 months of the GMC Agreement, the Company may terminate the agreement on 3 months notice, or by providing a cash payment in lieu of such notice equal to the salary payable for the remainder of the first 27 months of the GMC Agreement. After this, the Company may terminate the agreement on 3 months notice.

Details of Remuneration for Year

Details of the remuneration of each Director and named executive officer of the company, including their personally-related entities, during the year was as follows:

Director	Year	Short Term Benefits Salary and Fees $	Short Term Benefits Cash Bonus $	Long Term Benefits Annual Leave $	Post-Employment Superannuation $	Share Based Payments Options/ Shares $	Total $	Remuneration consisting of options/shares %	Remuneration based on performance %
Executive Directors:									
S McGovern	**2016**	**240,000**	**150,000**	**(3,693)**	**22,800**	**447,231**	**856,338**	**52**	**52**
(appointed 2/3/15)	2015	80,000	-	-	7,600	8,569	96,169	9	9
Non-Executive Directors:									
	2016	**79,000**	**-**	**-**	**6,650**	**223,615**	**309,265**	**72**	**72**
P Pawlowitsch	2015	56,054	-	-	5,325	4,285	65,664	7	7
G Campion (appointed 2/3/15,	**2016**	**128,333**	**-**	**-**	**-**	**216,961**	**345,294**	**63**	**63**
resigned 2/2/16)	2015	73,333	-	-	-	264,563	337,896	78	78
	2016	**36,530**	**-**	**-**	**3,470**	**55,904**	**95,904**	**58**	**58**
K Richards	2015	75,476	-	-	2,024	1,071	78,571	1	1
S Coxhell	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(resigned 2/3/15)	2015	32,466	-	-	1,659	-	34,125	-	-
T Fry	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(resigned 20/10/14)	2015	5,000	-	-	475	-	5,475	-	-
M Mian	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(resigned 20/10/14)	2015	1,693	-	-	-	-	1,693	-	-
Other Key Management Personnel:									
J Slaney	**2016**	**(1) 307,820**	**16,667**	**7,731**	**7,917**	**111,808**	**451,943**	**25**	**25**
(appointed 2/3/15)	2015	66,667	13,333	2,400	6,333	2,142	90,875	2	2
C Jackson	**2016**	**192,845**	**-**	**8,866**	**18,320**	**55,904**	**275,935**	**20**	**20**
(appointed 2/3/15)	2015	60,310	-	4,632	5,948	1,071	71,961	2	2
A Di Pietrantonio	**2016**	**165,000**	**40,000**	**9,551**	**15,675**	**55,904**	**286,130**	**20**	**20**
(appointed 2/3/15)	2015	55,000	13,333	710	5,225	1,071	75,339	1	1
	2016	**1,149,528**	**206,667**	**22,455**	**74,832**	**1,167,327**	**2,620,809**	**45**	**45**
Total	2015	505,999	26,666	7,742	34,589	282,772	857,768	33	33

(1) Includes rental assistance in relation to relocation to the UK.

Compensation Securities Issued to Key Management Personnel

Performance Options:
During the previous financial year, the following performance options were granted as performance linked incentives to Directors and Executives. The performance options were issued free of charge and convert into unlisted exercisable options when performance milestones are achieved. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company, at an exercise price of $0.40 per option on or before 30 June 2018.

The performance milestones are:
Milestone 1: The Company achieving a share price with a 20 day VWAP over 50 cents.
Milestone 2: The Company achieving a share price with a 20 day VWAP over 75 cents.

Key Management Personnel	Number Granted	Grant Date	Average Value per Option at Grant Date	Exercise Price	Last Exercise Date	Balance at 1/07/15	Vested during the year	Balance at 30/06/16
						Unvested		Vested and Exercisable
S McGovern	1,200,000	9/06/15	$0.1635	$0.40	30/06/18	1,200,000	1,200,000	1,200,000
P Pawlowitsch	600,000	9/06/15	$0.1635	$0.40	30/06/18	600,000	600,000	600,000
G Campion	150,000	9/06/15	$0.1635	$0.40	30/06/18	150,000	150,000	150,000
K Richards	150,000	9/06/15	$0.1635	$0.40	30/06/18	150,000	150,000	150,000
J Slaney	300,000	9/06/15	$0.1635	$0.40	30/06/18	300,000	300,000	300,000
C Jackson	150,000	9/06/15	$0.1635	$0.40	30/06/18	150,000	150,000	150,000
A Di Pietrantonio	150,000	9/06/15	$0.1635	$0.40	30/06/18	150,000	150,000	150,000
Total	**2,700,000**					**2,700,000**	**2,700,000**	**2,700,000**

The total value of the options at grant date was $441,450. Fair values at grant date was determined using a hybrid up and in option pricing model.

For the year ended 30 June 2015, the value of the options had been allocated over the assumed vesting period of the option's expiry period of three years. At 30 June 2015, $8,300 (approximately 2% of the total value of the options at grant date), assessed as vested is included in the remuneration table above for 2015.

During the year, on 29 December 2015, all performance milestones were achieved and all performance options were converted into unlisted exercisable options. For the year ended 30 June 2016, $433,150, being the balance (and approximately 98%) of the total value of the options at grant date vested and is included in the remuneration table above for 2016.

Performance Shares:
During the previous year the following performance shares were granted as performance linked incentives to Directors and Executives. The performance shares were issued free of charge. Each performance share converts into one fully paid ordinary share in the Company for nil cash consideration, upon the achievement of performance milestones, expiring 30 June 2018.

The performance milestones are:
Milestone 1: The Company achieving a share price with a 20 day VWAP over 50 cents.
Milestone 2: The Company achieving a share price with a 20 day VWAP over 75 cents.

Key Management Personnel	Number Granted	Grant Date	Average Value per Share at Grant Date	Last Conversion Date	Balance at 1/07/15	Converted during the year	Balance at 30/06/16
					Unconverted		Unconverted
S McGovern	800,000	9/06/15	$0.3245	30/06/18	800,000	800,000	-
P Pawlowitsch	400,000	9/06/15	$0.3245	30/06/18	400,000	400,000	-
G Campion	100,000	9/06/15	$0.3245	30/06/18	100,000	100,000	-
K Richards	100,000	9/06/15	$0.3245	30/06/18	100,000	100,000	-
J Slaney	200,000	9/06/15	$0.3245	30/06/18	200,000	200,000	-
C Jackson	100,000	9/06/15	$0.3245	30/06/18	100,000	100,000	-
A Di Pietrantonio	100,000	9/06/15	$0.3245	30/06/18	100,000	100,000	-
Total	**1,800,000**				**1,800,000**	**1,800,000**	**-**

The total value of the performance shares at grant date was $584,100. Fair values at grant date was determined using a hybrid up and in option pricing model.

For the year ended 30 June 2015, the value of the performance shares had been allocated over their expiry period of three years. At 30 June 2015, $10,981 (approximately 2% of the total value of the performance shares at grant date), is included in the remuneration table above for 2015.

During the year, on 29 December 2015, all performance milestones were achieved and all performance shares were converted into fully paid ordinary shares. For the year ended 30 June 2016, $573,119, being the balance (and approximately 98%) of the total value of the performance shares at grant date is included in the remuneration table above for 2016.

Management Performance Shares:
On 28 November 2014, Shareholders approved the issue of 4,000,000 performance shares to Mr Gavin Campion pursuant to the terms of his non-executive services and consultancy agreement. Each performance share is convertible into one fully paid ordinary share in the Company upon the achievement of certain milestones being met.

The milestones are:
Milestone 1: Upon all of the following being achieved:
(a) enter into 1 Australian re-seller agreement for the Dubber technology suite;
(b) enter into re-seller and deployment partner agreement for the Dubber technology suite;
(c) enter into a re-seller integration partner agreement with 1 Australian based telecommunications Carrier for the Dubber technology suite; and
(d) enter into a partner agreement with a technology company which will assist with establishing a re-seller/integration agreement for the Dubber technology suite in a jurisdiction outside of Australia.
Milestone 2: Upon the following being achieved:
$30,000 (ex GST) in billed monthly revenue via channel.
Milestone 3: Upon the following being achieved:
$100,000 (ex GST) ¡n billed monthly revenue via channel.
Milestone 4: Upon the following being achieved:
The Company breaking even, based on EBITDA over a rolling 3 month period. If this milestone is achieved, then Milestones 1, 2 and 3 will be deemed achieved.

These performance shares were valued at $560,000.

The value of the performance shares had been allocated over the periods each milestone was expected to be met or over the period to their expiry date of 27 May 2017. At 30 June 2015, $263,491 (47% of the total value at grant date) had been allocated and included in Mr Campion's remuneration in the remuneration table above for 2015.

On 14 September 2015, the first performance milestone was achieved and 1,000,000 performance shares were converted into fully paid ordinary shares. For the year ended 30 June 2016, $161,058 (29% of the total value of the performance shares at grant date) has been allocated and included in Mr Campion's remuneration in the remuneration table above for 2016.

Shares Issued to Key Management Personnel on Exercise of Compensation Options
No shares were issued to directors on exercise of compensation options during the year.

Remuneration Consultants
The Board did not use the services of remuneration consultants during the year in determining the compensation for Directors and Executives.

Voting and comments made at the company's 2015 annual general meeting ('AGM")
At the 2015 AGM, 99.1% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Loans with Key Management Personnel
There were no loans to key management personnel or their related entities during the financial year.

Other Transactions with Key Management Personnel
Payments totalling nil (2015: $17,482) were paid to Ventnor Resources Ltd (a company associated with Mr Pawlowitsch) for rent for the Company's former offices in West Perth and shared expenses.

Platform testing consulting fees totalling $70,818 (2015: $47,143) were charged by Prueba Pty Ltd, a company associated with Mr Steve McGovern.

Payments totalling $2,472 (2015: nil) were made for telephony services provided by Canard Pty Ltd, a company associated with Mr Steve McGovern and Mr Adrian Di Pietrantonio.

Intelligent Voice and 1300 MY SOLUTION are businesses associated with Mr Steve McGovern and Mr Adrian Di Pietrantonio. The Group earned service fee income of $32,572 (2015: $7,260) from Intelligent Voice and $293,714 (2015: $51,327) from 1300 MY SOLUTION. Trade receivables at 30 June 2016 include balances of nil (30 Jun 2015: $18,518) due from Intelligent Voice and nil (30 June 2015: $57,095) due from 1300 MY SOLUTION.

During the previous year, Vault Pty Ltd, a company associated with Mr Pawlowitsch advanced a short term loan of $50,000 to the Company in January 2015. This amount was repaid in March 2015 with interest of $7,500.

Other payables at 30 June 2016 includes an accrual of $75,000 for the cash bonus payable to Mr Steve McGovern for the period January to June 2016 included in the remuneration table above for 2016.

Balances in trade creditors at 30 June 2015, included the amounts of $10,323 for Mr Adrian Di Pietrantonio and $ 1,880 for Mr James Slaney.
Other receivables at 30 June 2016 includes an amount of $140,977 (30 June 2015: $106,366) receivable from the Medulla Group Pty Ltd vendors, including Mr Steve McGovern, Mr James Slaney and Mr Adrian Di Pietrantonio.

Amounts included in the remuneration table for Mr Gavin Campion and Mr Simon Coxhell were paid to their consultancy companies Hydria Plenus Pty Ltd and Coxrocks Pty Ltd respectively. An amount of $9,000 (2015: nil) included in the remuneration table for Mr Peter Pawlowitsch was paid to his consultancy company Gyoen Pty Ltd for advisory services outside his usual Board duties.

All transactions are conducted on normal commercial terms and on an arm's length basis.

Additional Disclosures Relating to Key Management Personnel

Shareholdings

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Performance Shares Converted	Net Change Other	Balance at End of Year
S McGovern	2,430,961	-	-	-	a) 1,035,163 c) 800,000	-	4,266,124
P Pawlowitsch	270,000	-	-	-	c) 400,000	-	670,000
G Campion (resigned 2/2/16)	-	-	-	-	b) 1,000,000 c) 100,000	d) (1,100,000)	-
K Richards	645,776	-	-	-	c) 100,000	-	745,776
J Slaney	1,875,989	-	-	-	a) 798,842 c) 200,000	-	2,874,831
C Jackson	456,942	-	-	-	a) 194,577 c) 100,000	-	751,519
A Di Pietrantonio	1,945,361	-	-	-	a) 828,382 c) 100,000	-	2,873,743
Total	**7,625,029**	**-**	**-**	**-**	**5,656,964**	**(1,100,000)**	**12,181,993**

a) – Vendor performance shares converted on achieving milestone 2.
b) – Management performance shares converted on achieving milestone 1.
c) – Performance shares converted on achieving milestones 1 & 2.
d) – Shares held at date of appointment or resignation, as applicable.

Option Holdings

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year		Received as Remuneration	Options Exercised	Options Expired	Options Vested/ Converted	Net Change Other	Balance at End of Year
	Vested	Performance Options						Vested & Exercisable
S McGovern	-	1,200,000	-	-	-	a) 1,200,000	-	1,200,000
P Pawlowitsch	200,000	600,000	-	-	-	a) 600,000	-	800,000
G Campion (resigned 2/2/16)	-	150,000	-	-	-	a) 150,000	b) (150,000)	-
K Richards	200,000	150,000	-	-	-	a) 150,000	-	350,000
J Slaney	-	300,000	-	-	-	a) 300,000	-	300,000
C Jackson	-	150,000	-	-	-	a) 150,000	-	150,000
A Di Pietrantonio	-	150,000	-	-	-	a) 150,000	-	150,000
Total	**400,000**	**2,700,000**	**-**	**-**	**-**	**2,700,000**	**(150,000)**	**2,950,000**

a) – Performance options converted into unlisted exercisable options on achieving milestones 1 &2.
b) – Options held at date of appointment or resignation, as applicable.

Performance Shares Holdings

The number of performance shares over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year	Received as Remuneration	Shares Expired	Performance Shares Converted	Net Change Other	Balance at End of Year
S McGovern	5,376,510	-	-	a) (1,035,163) c) (800,000)	-	3,541,347
P Pawlowitsch	400,000	-	-	c) (400,000)	-	-
G Campion (resigned 2/2/16)	4,100,000	-	-	b) (1,000,000) c) (100,000)	d) (3,000,000)	-
K Richards	100,000	-	-	c) (100,000)	-	-
J Slaney	3,731,724	-	-	a) (798,842) c) (200,000)	-	2,732,882
C Jackson	960,234	-	-	a) (194,577) c) (100,000)	-	665,657
A Di Pietrantonio	3,762,323	-	-	a) (828,382) c) (100,000)	-	2,833,941
Total	**18,430,791**	**-**	**-**	**(5,656,964)**	**(3,000,000)**	**9,773,827**

a) – Vendor performance shares converted on achieving milestone 2.
b) – Management performance shares converted on achieving milestone 1.
c) – Performance shares converted on achieving milestones 1 & 2.
d) – Shares held at date of appointment or resignation, as applicable.

This is the end of the remuneration report.

INDEMNIFYING OFFICERS OR AUDITORS

Dubber Corporation Limited has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of Dubber Corporation Limited, other than conduct involving a wilful breach of duty in relation to Dubber Corporation Limited.

SHARE OPTIONS

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 803,000 unlisted options expiring 25 November 2016, exercisable at $0.25 each
- 1,370,000 unlisted options expiring 31 January 2018, exercisable at $0.25 each
- 600,000 unlisted options expiring 27 February 2018, exercisable at $0.25 each
- 2,700,000 unlisted options expiring 30 June 2018, exercisable at $0.40 each
- 2,250,000 unlisted options expiring 31 March 2019, exercisable at $0.25 each
- 100,000 unlisted options expiring 31 March 2019, exercisable at $0.72 each

During the year the following options were issued:

- 100,000 options expiring 31 March 2019, exercisable at $0.72 each

During the year the following options were exercised:

- 197,000 options expiring 25 November 2016, exercised at $0.25 each
- 1,630,000 options expiring 31 January 2018, exercised at $0.25 each

The following performance options converted into unlisted exercisable options during the year:

- 2,700,00 performance options expiring 30 June 2018, exercisable at $0.40 each

No options expired during the year.

Since the end of the financial year, no other options have expired or been issued or exercised.

PERFORMANCE SHARES

At the date of this report there were the following unissued ordinary shares for which performance shares were outstanding:

- 13,315,172 Vendors performance shares, expiring 27 May 2017
- 3,000,000 Management performance shares, expiring 27 May 2017

The following performance shares converted into fully paid ordinary shares during the year:

- 3,892,127 Vendors performance shares, expiring 27 May 2017
- 204,819 Vendor's Advisors performance shares, expiring 27 May 2017
- 1,000,000 Management performance shares, expiring 27 May 2017

No performance shares were issued or expired during the year.

Since the end of the financial year, no performance shares have been issued or expired, and no performance shares converted into fully paid ordinary shares.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of Dubber Corporation Limited or intervene in any proceedings to which Dubber Corporation Limited is a party for the purpose of taking responsibility on behalf of Dubber Corporation Limited for all or any part of those proceedings.

Dubber Corporation Limited was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation under Australian Commonwealth or State law.

NON-AUDIT SERVICES

There were no amounts paid or payable to the auditor for non-audit services provided during the year by the auditor other than those outlined in Note 18 to the financial statements.

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

The directors are of the opinion that the services as disclosed in Note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2016, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

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

P Pawlowitsch

Peter Pawlowitsch
Director
Dated: 16 September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF DUBBER CORPORATION LIMITED

As lead auditor of Dubber Corporation Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dubber Corporation Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 16 September 2016

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2016 $	2015 $ Restated
Revenue from continuing operations			
Service income		**457,699**	62,203
Other revenue from ordinary activities	2 (a)	**546,712**	7,416
Expenses			
Service platform costs		**(1,764,023)**	(319,456)
Consulting fees		**(180,703)**	(246,109)
Depreciation and amortisation		**(1,246,057)**	(313,966)
Directors fees and benefits		**(657,783)**	(271,939)
Employee benefits expense		**(1,709,287)**	(594,716)
Finance costs		**(43,270)**	(122,831)
Share based payments	23	**(2,255,879)**	(515,903)
Other expenses from ordinary activities	2 (b)	**(2,448,064)**	(883,629)
Loss before income tax expense from continuing operations		**(9,300,655)**	(3,198,930)
Income tax (expense)/benefit	3	**-**	2,008,734
Loss after income tax from continuing operations		**(9,300,655)**	(1,190,196)
Loss after income tax from discontinued operations	17	**-**	(336,691)
Loss after income tax expense for the year		**(9,300,655)**	(1,526,887)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		**-**	(826)
Derecognition of foreign currency reserve		**-**	22,793
Other comprehensive income for the year, net of tax		**-**	21,967
Total comprehensive loss for the year		**(9,300,655)**	(1,504,920)
Loss for the year is attributable to:			
Owners of Dubber Corporation Limited		**(9,300,655)**	(1,509,617)
Non-controlling interests		**-**	(17,270)
		(9,300,655)	(1,526,887)
Total comprehensive loss for the year is attributable to:			
Owners of Dubber Corporation Limited		**(9,300,655)**	(1,487,567)
Non-controlling interests		**-**	(17,353)
		(9,300,655)	(1,504,920)
Total comprehensive loss for the year attributable to owners of Dubber Corporation Limited arises from:			
Continuing operations		**(9,300,655)**	(1,293,737)
Discontinued operations		**-**	(193,830)
		(9,300,655)	(1,487,567)

	Note	2016 Cents	2015 Cents RESTATED
Earnings per share attributable to the owners of Dubber Corporation Limited			
Loss from continuing operations:			
Basic loss per share	14	**(13.04)**	(3.79)
Diluted loss per share	14	**(13.04)**	(3.79)
Loss from discontinued operations:			
Basic loss per share	14	**-**	(1.02)
Diluted loss per share	14	**-**	(1.02)
Loss for the year:			
Basic loss per share	14	**(13.04)**	(4.80)
Diluted loss per share	14	**(13.04)**	(4.80)

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

Consolidated Statement of Financial Position

	Note	2016 $	2015 $ Restated
ASSETS			
Current Assets			
Cash and cash equivalents	4	**2,563,767**	1,697,415
Trade and other receivables	5	**473,415**	373,418
Total Current Assets		**3,037,182**	2,070,833
Non-Current Assets			
Property, plant and equipment	6	**50,060**	16,876
Intangible assets	8	**8,943,717**	11,027,668
Total Non-Current Assets		**8,993,777**	11,044,544
Total Assets		**12,030,959**	13,115,377
LIABILITIES			
Current Liabilities			
Trade and other payables	9	**976,036**	933,705
Provisions	10	**166,125**	93,303
Total Current Liabilities		**1,142,161**	1,027,008
Total Liabilities		**1,142,161**	1,027,008
NET ASSETS		**10,888,798**	12,088,369
EQUITY			
Issued capital	11	**25,455,700**	17,637,006
Reserves	12	**5,535,229**	5,252,839
Accumulated losses	13	**(20,102,131)**	(10,801,476)
TOTAL EQUITY		**10,888,798**	12,088,369

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

Consolidated Statement of Changes in Equity

	Issued Capital $	Accumulated Losses $	Reserves $	Non-controlling Interests $	Total $
2016					
Balance at 1 July 2015	**17,637,006**	**(10,801,476)**	**5,252,839**	**-**	**12,088,369**
Loss after income tax expense for the year	**-**	**(9,300,655)**	**-**	**-**	**(9,300,655)**
Total comprehensive loss for the year	**-**	**(9,300,655)**	**-**	**-**	**(9,300,655)**
Transactions with owners in their capacity as owners:					
Securities issued during the year	**7,689,938**	**-**	**(1,543,489)**	**-**	**6,146,449**
Capital raising costs	**(301,244)**	**-**	**-**	**-**	**(301,244)**
Cost of share based payments	**430,000**	**-**	**1,825,879**	**-**	**2,255,879**
Balance at 30 June 2016	**25,455,700**	**(20,102,131)**	**5,535,229**	**-**	**10,888,798**
2015 Restated					
Balance at 1 July 2014	10,155,008	(9,291,859)	993,326	(123,921)	1,732,554
Loss after income tax expense for the year	-	(1,509,617)	-	(17,270)	(1,526,887)
Other comprehensive income for the year, net of tax	-	-	21,967	-	21,967
Total comprehensive loss for the year	-	(1,509,617)	21,967	(17,270)	(1,504,920)
Transactions with owners in their capacity as owners:					
Non-controlling interests in disposed subsidiaries	-	-	-	141,191	141,191
Securities issued during the year	7,896,831	-	(819,401)	-	7,077,430
Capital raising costs	(414,833)	-	-	-	(414,833)
Cost of share based payments	-	-	5,056,947	-	5,056,947
Balance at 30 June 2015	17,637,006	(10,801,476)	5,252,839	-	12,088,369

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

Consolidated Statement of Cash Flows

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		**510,413**	31,478
Payments to suppliers and employees		**(6,889,049)**	(2,259,358)
Interest received		**20,594**	7,416
R&D tax offset refund received		**524,886**	-
Interest and other finance costs paid		**(31,550)**	(118,896)
Net cash outflows used in operating activities	22	**(5,864,706)**	(2,339,360)
Cash flows from investing activities			
Purchase of plant and equipment		**(42,191)**	(8,848)
Payment of security bond		**(9,909)**	-
Loans to other entities		**(34,611)**	(1,321,366)
Receipt of security bond		**125,663**	-
Loans repaid by other entities		**-**	150,000
Cash acquired on acquisition of subsidiary	16	**-**	1,884
R&D tax offset refund relating to intangible asset		**846,901**	-
Exploration and evaluating expenditure		**-**	(92,430)
Net cash provided by/(used in) investing activities		**885,853**	(1,270,760)
Cash flows from financing activities			
Proceeds from issue of shares		**6,146,449**	4,676,620
Payment of share issue costs		**(301,244)**	(367,577)
Proceeds from borrowings		**-**	440,000
Repayment of borrowings		**-**	(560,687)
Net cash provided by financing activities		**5,845,205**	4,188,356
Net increase in cash held		**866,352**	578,236
Cash and cash equivalents at the beginning of the year		**1,697,415**	1,119,997
Effect of exchange rate changes on cash		**-**	(818)
Cash and cash equivalents at the end of the year		**2,563,767**	**1,697,415**

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

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

Dubber Corporation Limited ("Company" or "Parent Entity") is a company limited by shares, incorporated and domiciled in Australia. These consolidated financial statements and notes represent those of Dubber Corporation Limited and controlled entities ("Group" or "Consolidated Entity"). The nature of the operations and principal activities of the Group are described in the Directors' Report.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Dubber Corporation Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial reports have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The separate financial statements of the parent entity, Dubber Corporation Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

These financial statements are presented in Australian dollars, rounded to the nearest dollar.

(b) Going concern basis

For the year ended 30 June 2016 the group recorded a loss of $9,300,655, had net cash outflows from operating activities of $5,864,706 and had working capital of $1,895,021 at 30 June 2016.

The ability of the group to continue as a going concern is dependent on securing additional funding through subscription sales to the Dubber platform, eligibility of the research and development tax incentive and potential additional capital raisings to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the group's working capital requirements and as at the date of this report. Subsequent to year end the group expects to receive additional funds through subscriptions, research and development tax incentives and potential capital raisings.

The financial statements have been prepared on the basis that the group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Growth in subscription based revenue during the year;
- Significant pipeline of potentially new subscription based customers;
- Previous success on being eligible for the research and development tax incentive; and
- If required, previous success in being able to raise capital as equity.

1. Summary of Significant Accounting Policies (Continued)

(b) Going concern basis (continued)

Should the group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern.

(c) Revenue recognition

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.
Service income is recognised at the time the service is accessed by the customer. All revenue is stated net of the amount of goods and services tax (GST).

(d) Government grants/research and development tax incentives

Grants from the government (such as research and development tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants received for the period prior to the acquisition of Dubber Pty Ltd was deducted from the carrying value of the Dubber intellectual property, with subsequent grants being recognised as other income.

(e) Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Dubber Corporation Limited (“Company” or “parent entity”) as at 30 June 2016 and the results of all subsidiaries for the year then ended. Dubber Corporation Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group has control over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

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

1. Summary of Significant Accounting Policies (Continued)

(e) Basis of consolidation (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

(f) Segment Reporting

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

(g) Foreign currency translation

(i) Functional and presentation currency
The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of Dubber Corporation Limited.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities, denominated in foreign currencies, are recognised in profit or loss.

(iii) Foreign operations
The assets and liabilities of foreign operations are translated to the functional currency as exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency difference are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(h) Finance income

Finance income comprises interest income earned on funds invested in bank accounts and call deposits. Interest is recognised on an accruals basis in the consolidated statement of profit or loss and other comprehensive income, using the effective interest method.

1. Summary of Significant Accounting Policies (Continued)

(i) Income tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(j) Provisions

Provisions are recognised when a Group company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

1. Summary of Significant Accounting Policies (Continued)

(k) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquired asset either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred and the amount of any non-controlling interest in the acquire over the fair value of the net identifiable assets acquired is recorded as goodwill, If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(l) Cash and cash equivalents

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

(m) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of the discounting is immaterial.

The amount of the impairment losses is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

1. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;
(b) less principal repayments;
(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
(d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss
Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(iii) Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Convertible notes are issued from the Company and are convertible at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

1. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments (continued)

The liability component of a convertible note is recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the convertible note as a whole and the fair value of the liability component.

Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(o) Property, plant and equipment

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

Plant and equipment
Plant and equipment are measured on the cost basis.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset	**Useful Life**
Furniture, Fixtures and Fittings	4 years
Computer Equipment	3 years
Computer Software	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Property, plant and equipment is derecognised and removed from the statement of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the property, plant and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the statement of profit or loss and other comprehensive income.

1. Summary of Significant Accounting Policies (Continued)

(p) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Non-financial assets, other than inventories, deferred tax assets, assets from employee benefits, investment properties, biological assets, and deferred acquisition costs, are assessed for any indication of impairment at the end of each reporting period. Any indication of impairment requires formal testing of impairment by comparing the carrying amount of the asset to an estimate of the recoverable amount of the asset. An impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The asset's value in use is calculated as the estimated future cash flows discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. Assets that cannot be tested individually for impairment, are grouped together into the smallest group of assets that generates cash inflows (the asset's cash-generating unit).

Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses are allocated first, to reduce the carrying amount of any goodwill allocated to cash-generating units, and then to other assets of the group on a pro-rata basis.

Assets other than goodwill are assessed at the end of each reporting period to determine whether previously recognised impairment losses may no longer exist or may have decreased. Impairment losses recognised in prior periods for assets other than goodwill are reversed up to the carrying amounts that would have been determined had no impairment loss been recognised in prior periods.

(q) Trade and other payables

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

(r) 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.

1. Summary of Significant Accounting Policies (Continued)

(s) Contributed equity

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(t) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the financial year.

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

(u) Share-based payment transactions

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services received during the vesting period with a corresponding increase in equity.

(v) Intangible assets

Intangible assets acquired as part of a business combination are brought in at fair value at acquisition. Intangible assets with finite useful life are amortised over a straight line basis in the profit or loss over the estimated useful life. During the period, management re assessed the useful life of the platform from 10 years to 5 years, as they believe it is more reflective of the useful life.

(w) Goodwill

Goodwill is measured as described in note 1(k). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 20).

1. Summary of Significant Accounting Policies (Continued)

(x) Employee Provisions

(i) Short-term employee benefit obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

(ii) Other long-term employee benefit obligations
Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(y) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates - Impairment
The Group tests annually whether the carrying value of goodwill and other intangibles exceed its recoverable amount to determine potential impairment requirements. The recoverable amount of goodwill and other intangibles has been calculated using a number of assumptions as disclosed in note 8. No impairment has been recognised in respect of intangibles at the end of the reporting period.

Key judgements – Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes method. The related assumptions are detailed in note 23. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Key Estimates – Dubber intellectual property
The Dubber SaaS intangible was acquired as part of a business combination (note 16). The intangible asset was recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line based on the timing of projected cash flows of the intellectual property over its estimated useful life. The Group estimates the useful life of the asset is 5 years based on the technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 5 years, depending on technical innovations and competitor actions.

1. Summary of Significant Accounting Policies (Continued)

(z) New accounting standards for application in future period & current periods

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

- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle, and
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

As these amendments merely clarify the existing requirements, they do not affect the Group's accounting policies or any of the disclosures.

AASB 9 Financial Instruments

These amendments must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the Company will be 30 June 2019. The Company does not currently have any hedging arrangements in place.

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. There will be no impact on the Company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the Company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

AASB 15 Revenue from Contracts with Customers

These amendments must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Company will be 30 June 2019.

An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard.

AASB 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. Due to the recent release of this standard, the group has not yet made a detailed assessment of the impact of this standard.

1. Summary of Significant Accounting Policies (Continued)

(y) New accounting standards for application in future period & current periods (continued)

AASB 2014-3 (issued August 2014) - Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations

When an entity acquires an interest in a joint operation whose activities meet the definition of a 'business' in AASB 3 Business Combinations, to the extent of its share of assets, liabilities, revenues and expenses as specified in the contractual arrangement, the entity must apply all of the principles for business combination accounting in AASB 3, and other IFRSs, to the extent that they do not conflict with AASB 11 Joint Arrangements.

This means that it will expense all acquisition-related costs and recognise its share, according to the contractual arrangements, of:

- Fair value of identifiable assets and liabilities, unless fair value exceptions included in AASB 3 or other IFRSs, and
- Deferred tax assets and liabilities that arise from the initial recognition of an asset or liability as required by AASB 3 and AASB 112 Income Taxes.
- Goodwill will then be recognised as the excess consideration over the fair value of net identifiable assets acquired.

Annual periods beginning on or after 1 January 2016.

There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to acquisitions of interests in joint operations.

AASB 2014-3 (issued August 2014) - Amendments to Australian Accounting Standards - Sale or Contribution of Assets between An Investor and its Associate or Joint Venture

Removes the inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures in accounting for transactions where a parent loses control over a subsidiary that is not a business under AASB 3 Business Combinations, by selling part of its interest to an associate or joint venture, or by selling down part of its interest so that the remaining investment becomes an associate or joint venture. Requires that:

- Gain or loss from measuring the retained interest in the former subsidiary at fair value, as well as gains or losses to be reclassified from other comprehensive income to profit or loss, only be recognised to the extent of the unrelated investor's interest in that associate or joint venture, and
- Remaining gains or losses to be eliminated against the investment in associate or joint venture.

Annual periods beginning on or after 1 January 2016.

There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to sales or contributions of assets occurring after the application date.

(aa) Parent entity financial information

The financial information for the parent entity, Dubber Corporation Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements.

2. Revenue and Expenses from Continuing Operations

	Consolidated 2016 $	Consolidated 2015 $
(a) Other revenue		
Interest	**21,826**	7,416
Research and development tax incentive	**524,886**	-
	546,712	7,416
(b) Other expenses		
Audit fees	**49,603**	33,558
Accounting and tax advice fees	**179,935**	115,973
Exploration impaired	**-**	7,500
Legal fees	**72,711**	116,129
Marketing	**622,052**	116,400
Securities exchange and registry fees	**85,893**	92,580
Travel costs	**644,980**	119,834
Other administration	**792,890**	281,655
	2,448,064	883,629

3. Income Tax

	Consolidated 2016 $	Consolidated 2015 $
(a) Income tax expense/(benefit)		
Current tax	**-**	-
Deferred tax	**-**	-
Movement in deferred taxes not previously recognised	**-**	(2,008,734)
	-	(2,008,734)
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	**(9,300,655)**	(3,535,621)
Tax at the Australian tax rate of 30%	**(2,790,197)**	(1,060,686)
Tax effect of amounts not deductible (taxable) in calculating taxable income	**527,547**	(183,143)
Deferred tax assets not previously brought to account	**-**	(735,032)
Deferred tax asset not brought to account on temporary differences & tax losses	**2,310,597**	-
	47,947	(1,978,861)
Amounts recognised in equity	**(47,947)**	(29,873)
Income tax expense/(benefit)	**-**	(2,008,734)

3. Income Tax (continued)

(c) Deferred tax assets

	Consolidated 2016 $	Consolidated 2015 $
Timing differences	**89,582**	95,353
Tax losses - revenue	**3,833,945**	2,803,216
	3,923,527	2,898,569
Offset against Deferred Tax Liabilities	**(2,080,495)**	(2,705,680)
	1,843,032	192,889
Amounts in equity	**156,933**	114,507
Tax losses - capital	**323,367**	323,367
Deferred tax assets not brought to account	**2,323,332**	630,763

(d) Deferred tax liabilities

	Consolidated 2016 $	Consolidated 2015 $
Timing differences	**(2,080,495)**	(2,705,680)
Offset by Deferred Tax Assets recognised	**2,080,495**	2,705,680
	-	-

There are no franking credits available to the Group.

4. Cash and Cash Equivalents

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank	**2,563,767**	1,697,415
	2,563,767	1,697,415

The company's exposure to interest rate risk is outlined in note 15.

5. Trade and Other Receivables

Current

	Consolidated 2016 $	Consolidated 2015 $
Trade receivables	**53,425**	82,870
GST recoverable	**83,276**	119,086
Receivable from Medulla Group Pty Ltd vendors	**140,977**	106,366
Prepayments	**146,096**	6,596
Other receivables	**49,641**	58,500
	473,415	373,418

The acquisition of Medulla Group Pty Ltd ("Medulla") was on a no liability basis. It was determined on reconciling the acquisition and liabilities paid of Medulla that the vendors of Medulla Group Pty Ltd owed Dubber Corporation Limited $140,977. Receipt of this amount is expected within 12 months of 30 June 2016.

Trade and other receivables are all due within three months of this report and no impairment provision has been made.

Information about credit and liquidity risk is outlined in note 15. Prepayments consist of prepaid insurance and consulting fees.

	Consolidated 2016 $	Consolidated 2015 $

6. Property, Plant and Equipment

	2016 $	2015 $
Plant and equipment – at cost	**72,707**	30,516
Less: Accumulated depreciation	**(22,647)**	(13,640)
Net carrying amount	**50,060**	16,876

Reconciliation

Reconciliation of the carrying amount for each class of property, plant and equipment between the beginning and the end of the current and previous financial year are set out below:

	Computer Equipment $	Office Renovations $	Furniture $	Plant & Equipment $	Total $
2016					
Balance at the beginning of the year	**8,863**	**-**	**7,793**	**220**	**16,876**
Additions	**23,981**	**-**	**18,210**	**-**	**42,191**
Depreciation expense	**(5,369)**	**-**	**(3,418)**	**(220)**	**(9,007)**
Carrying amount at the end of the year	**27,475**	**-**	**22,585**	**-**	**50,060**
2015					
Balance at the beginning of the year	2,442	14,516	15,851	28,874	61,683
Additions	4,316	-	4,532	-	8,848
Acquisition of subsidiary (note 16)	5,940	-	4,173	-	10,113
Foreign exchange movement	-	(2)	(3)	(5)	(10)
Depreciation expense	(2,787)	(3,072)	(5,482)	(8,686)	(20,027)
Impairment (i)	(1,048)	(11,442)	(11,278)	(19,963)	(43,731)
Carrying amount at the end of the year	8,863	-	7,793	220	16,876

(i) The property, plant and equipment held at the Group's office in Abidjan, Côte d'Ivoire with a carrying value of $43,731 at 31 December 2014 were impaired to their recoverable value of nil with the closure of the Abidjan office on that date.

7. Exploration Expenditure

	Consolidated 2016 $	Consolidated 2015 $
Balance at the beginning of the year	-	-
Expenditure incurred during the year	-	119,414
Expenditure incurred during the year expensed	-	(119,414)
Exploration expenditure at cost	-	-

The recoverability of the carrying amount of the transaction and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The exploration expenditure has been written-off in 2015 as the recoverability criteria by further exploration or sale is not considered capable of satisfaction.

	Consolidated 2016 $	Consolidated 2015 $

8. Intangible Assets

	2016 $	2015 $
Dubber intellectual property – at cost	**8,483,031**	9,329,932
Less: Accumulated amortisation	**(1,548,048)**	(310,998)
	6,934,983	9,018,934
Goodwill	**2,008,734**	2,008,734
Net carrying amount	**8,943,717**	11,027,668
Reconciliation		
Balance at the beginning of the year	**11,027,668**	-
Acquisition of subsidiary (note 16)	**-**	11,338,666
R&D tax offset refund relating to acquired intellectual property	**(846,901)**	-
Amortisation expense	**(1,237,050)**	(310,998)
Net carrying amount at the end of the year	**8,943,717**	11,027,668

The goodwill and other intangibles is attributable to Dubber's strong position to continue to roll out its software platform and the expected cash flows to arise from the company's acquisition of Dubber Pty Ltd.

Goodwill acquired through the business combination has been allocated to the company's only cash generating unit ('CGU') for impairment testing. The Board has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The method applied was the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is therefore a Level 1 measurement based on observable inputs of publicly traded shares in an active market. The Board has not identified any reasonable possible changes in key assumptions that could cause the carrying amount of the CGU to exceed its recoverable amount. Any reasonable change to the volatility of the company's share price would not create an impairment.

9. Trade and Other Payables

	2016 $	2015 $
Current		
Trade payables	**339,231**	408,910
Payroll tax and other statutory liabilities	**402,437**	488,295
Other payables	**234,368**	36,500
	976,036	933,705

All payables are expected to be settled within 6 months. Risk management policies in regard to liquidity and currency risk are outlined in note 15.

10. Provisions

	2016 $	2015 $
Current		
Employee benefits	**166,125**	93,303
	166,125	93,303

Employee benefits represent annual leave entitlements of employees within the Group and is non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

	Consolidated 2016 $	2015 $

11. Issued Capital

Issued and paid up capital		
79,929,426 (2015: 57,492,814) Ordinary shares – fully paid	**26,644,963**	18,525,025
Share issue costs written off against share capital	**(1,189,263)**	(888,019)
	25,455,700	17,637,006

Movement in ordinary shares on issue

	Issue Price	No. of Shares	$
2016			
Balance at the beginning of the year		**57,492,814**	**17,637,006**
Conversion of vendors & advisors performance shares on achieving milestone – 2 September 2015	**$0.20**	**4,096,946**	**819,389**
Conversion of management performance shares on achieving milestone – 14 September 2015	**$0.14**	**1,000,000**	**140,000**
Issued for cash pursuant to placement – 19 November 2015	**$0.45**	**8,549,334**	**3,847,199**
Issued for cash pursuant to placement – 23 November 2015	**$0.45**	**4,094,444**	**1,842,500**
Conversion of performance shares on achieving milestone – 29 December 2015	**$0.36**	**900,000**	**324,000**
Conversion of performance shares on achieving milestone – 29 December 2015	**$0.289**	**900,000**	**260,100**
Issued as consideration for advisory fees – 29 December 2015	**$0.45**	**268,888**	**121,000**
Issued as employee incentives – 11 March 2016	**$0.38625**	**800,000**	**309,000**
Exercise of options expiring 25 November 2016	**$0.25**	**197,000**	**49,250**
Exercise of options expiring 31 January 2018	**$0.25**	**1,630,000**	**407,500**
Share issue costs			**(301,244)**
Balance at the end of the year		**79,929,426**	**25,455,700**
2015			
Balance at the beginning of the year		90,043,920	10,155,008
Consolidation of shares at 1:5 – 15 December 2014		(72,035,260)	-
Issued for cash pursuant to prospectus – 27 February 2015	$0.20	23,383,100	4,676,620
Issued as part consideration for acquisition of subsidiary (note 16) – 27 February 2015	$0.20	5,248,088	1,049,618
Issued as consideration for acquisition advisor fees – 27 February 2015	$0.20	755,961	151,192
Conversion of vendors & advisors performance shares on achieving milestone – 27 February 2015	$0.20	4,097,005	819,401
Issued upon conversion of acquired subsidiary's convertible notes – 27 February 2015	$0.20	6,000,000	1,200,000
Share issue costs			(414,833)
Balance at the end of the year		57,492,814	17,637,006

11. Issued Capital (continued)

Options

At the end of the year, the following options over unissued ordinary shares were outstanding:

Grant Date	Expiry Date	Exercise Price	Number under Option
25 November 2014	25 November 2016	$0.25	803,000
15 December 2014	31 January 2018	$0.25	1,370,000
27 February 2015	27 February 2018	$0.25	600,000
9 June 2015	30 June 2018	$0.40	2,700,000
30 June 2015	31 March 2019	$0.25	2,250,000
31 March 2016	31 March 2019	$0.72	100,000
			7,823,000

Performance shares

Each performance share converts into one fully paid ordinary share for nil cash consideration, upon the achievement of performance based milestones. At the end of the year, the following performance shares yet to be converted into ordinary shares were outstanding:

Grant Date	Expiry Date	Number of Performance Shares
28 November 2014	27 May 2017	3,000,000
27 February 2015	27 May 2017	13,315,172
		16,315,172

Capital risk management

The group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that benefits to stakeholders and an optimum capital structure are maintained.

In order to maintain or adjust the capital structure, the company may return capital to shareholders, cancel capital, issue new shares or options or sell assets.

	Consolidated	
	2016	**2015**
	$	**$**

12. Reserves

Option reserve	**2,311,316**	1,495,943
Performance share reserve	**2,947,583**	3,756,896
Unvested share reserve	**276,330**	-
Foreign currency reserve	**-**	-
	5,535,229	5,252,839

Option reserve

The option reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

Movement in option reserve:		
Balance at the beginning of the year	**1,495,943**	1,015,293
Options issued as consideration for capital raising services – broker options	**-**	70,200
Options issued upon conversion of acquired subsidiary's convertible notes – attaching options	**-**	402,150
Bonus options issued to service provider	**34,950**	-
Allocation of incentive based share options values over vesting period – directors and key management	**433,150**	8,300
Allocation of incentive based share options values over vesting period – employees	**347,273**	-
Balance at the end of the year	**2,311,316**	1,495,943

Performance share reserve

The performance share reserve is used to record the value of performance shares issued as share based payments until the performance shares are converted into fully paid ordinary shares upon achievement of performance based milestones.

Movement in performance share reserve:		
Balance at the beginning of the year	**3,756,896**	-
Issued as part consideration for acquisition of subsidiary (note 16)	**-**	4,219,885
Issued as consideration for acquisition advisor fees	**-**	81,939
Allocation of incentive share based payment over vesting period – management performance shares	**161,057**	263,492
Allocation of incentive share based payment over vesting period – directors and key management	**573,119**	10,981
Converted into ordinary shares upon achievement of performance milestone	**(1,543,489)**	(819,401)
Balance at the end of the year	**2,947,583**	3,756,896

	Consolidated 2016 $	Consolidated 2015 $

12. Reserves (continued)

Unvested share reserve

The unvested share reserve is used to record the value of shares formally offered and accepted as share based payments until the shares are issued on a future specified vesting date.

	2016 $	2015 $
Movement in unvested share reserve:		
Balance at the beginning of the year	**-**	-
Allocation of incentive share based payment over vesting period – employee shares	**585,330**	-
Shares issued on vesting date	**(309,000)**	-
Balance at the end of the year	**276,330**	-

Foreign currency reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

	2016 $	2015 $
Movement in foreign currency reserve:		
Balance at the beginning of the year	**-**	(21,967)
Currency translation differences	**-**	(826)
Derecognition on disposal of subsidiary (note 17)	**-**	22,793
Balance at the end of the year	**-**	-

13. Accumulated Losses

	2016 $	2015 $
Balance at the beginning of the year	**(10,801,476)**	(9,291,859)
Loss attributable to owners of Dubber Corporation Limited	**(9,300,655)**	(1,509,617)
Balance at the end of the year	**(20,102,131)**	(10,801,476)

	Consolidated 2016 $	2015 $

14. Earnings per Share (EPS)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2016	2015
Earnings attributable to the owners of Dubber Corporation Limited used to calculate EPS	**$**	**$**
Loss from continuing operations	(9,300,655)	(1,190,196)
Loss from discontinued operations	-	(319,421)
Loss for the year	(9,300,655)	(1,509,617)
Weighted average number of ordinary shares used in the calculation of EPS	**No.**	**No.**
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	71,324,702	31,422,455

As the Company is in a loss position there is no diluted EPS calculated

15. Financial Risk Management

Financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Weighted Average Interest Rate (%)	Note	2016 $	2015 $
Financial Assets				
Cash and cash equivalents	0.95	4	**2,563,767**	1,697,415
Trade and other receivables	-	5	**327,319**	366,822
Total Financial Assets			**2,891,086**	2,064,237
Financial Liabilities				
Trade and other payables	-	9	**976,036**	933,705
Total Financial Instruments			**1,915,050**	1,130,532

The carrying amounts of these financial instruments approximate their fair values.

15. Financial Risk Management (continued)

Financial Risk Management Policies

Exposure to key financial risks is managed in accordance with the Group's risk management policy with the objective to ensure that the financial risks inherent in technological activities and new business reviews are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for research expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raise in advance of shortages. Interest rate risk is managed by limiting the amount interest bearing loans entered into by the company. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Managing Director, under the authority of the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

Specific Financial Risk Exposures and Management

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

The company trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the company's policy to secure its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the company does not have a significant exposure to bad debts.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The majority of cash and deposits is held with Westpac Banking Corporation, an AA- credit rated bank.

(d) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the company monitors its ongoing research and development cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The company has no undrawn financing facilities. Trade and other payables, the only financial liability of the company, are due within 3 months.

15. Financial Risk Management (continued)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 Years**		**Total Contractual Cash Flow**	
	2016 $	**2015 $**	**2016 $**	**2015 $**	**2016 $**	**2015 $**
Financial assets – cash flows receivable						
Trade and other receivables	327,319	366,822	-	-	327,319	366,822
Total expected inflows	327,319	366,822	-	-	327,319	366,822
Financial liabilities due for payment realisable						
Trade and other payables	976,036	933,705	-	-	976,036	933,705
Total anticipated outflows	976,036	933,705	-	-	976,036	933,705
Net (outflow)/inflow on financial instruments	(648,717)	(566,883)	-	-	(648,717)	(566,883)

(b) Market risk

i. Interest rate risk

The company's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. The company does not have any borrowings or enter into hedges. An increase/(decrease) in interest rates by 0.5% during the whole of the respective periods would have led to an increase/(decrease) in losses of less than $12,819.

(c) Fair value

The Group does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to approximate their fair value.

16. Business Combination

On 27 February 2015, the Company acquired 100% of the issued shares of Medulla Group Pty Ltd ("Medulla"). Medulla owns 100% of Dubber Pty Ltd the operating entity of the Dubber technology suite. Medulla is a holding entity with no material operations.

The total cost of the acquisition was $5,269,503 and comprised an issue of equity instruments. The Company issued 5,248,088 ordinary fully paid shares and 21,099,427 performance shares to the shareholders of Medulla, as consideration for the acquisition.

The finalised fair value of the identifiable assets and liabilities of the subsidiary as at the date of acquisition were:

	Fair Value $
Cash and cash equivalents	1,884
Trade and other receivables	133,662
Plant and equipment	10,113
Intangible asset – Dubber intellectual property	9,329,932
Trade and other payables	(811,735)
Provisions	(81,547)
Loans and borrowings	(120,656)
Loan payable to Dubber Corporation Limited	(3,192,150)
Deferred tax liability on Dubber intellectual property	(2,798,980)
Deferred tax asset on tax losses	790,246
Goodwill	2,008,734
Net assets acquired	5,269,503
Cost of the acquisition:	
Securities issued, at fair value	5,269,503
Cash paid or payable to the vendor	-
Payments made in prior periods	-
Direct costs relating to the acquisition	-
Total cost of the combination	5,269,503
Net cash flow from the acquisition:	
Cash acquired with subsidiary	1,884
Cash paid to the vendor	-
Net cash inflow	1,884

The acquired subsidiary contributed revenues of $62,203 and loss after tax of $1,813,501 to the Group for the period from 27 February 2015 to 30 June 2015. If the acquisition had occurred on 1 July 2014, the full year contributions would have been revenue of $108,013 and loss after tax of $4,947,433.

At 30 June 2015, provisional accounting was applied to the fair value of the identifiable assets and liabilities acquired. At 30 June 2016, as a result of finalisation of the subsidiary's position an adjustment has been made to recognise the deferred tax liability on the intellectual property offset by the deferred tax asset on the subsidiary's tax losses with a comparative increase in goodwill.

17. Discontinued Operations

In December 2014, the Company closed the Group's office in Abidjan, Côte d'Ivoire. On 31 March 2015, the consolidated entity sold its 90% interest in Major Star SA, a company registered in Côte d'Ivoire that owned the Bodite and Aboisso exploration licences in Cote d'Ivoire. Following the insignificant results returned by exploration activities conducted during the year, the subsidiary was sold for nil consideration and saved the Group the costs associated with relinquishing the licences and deregistering the subsidiary.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the nine months ended 31 March 2015.

	2015 **$**
Financial performance:	
Revenue	
Interest	-
Expenses	
Depreciation and amortisation	(17,059)
Exploration expensed	(111,914)
Impairment of property, plant and equipment	(43,731)
Loss before income tax expense	(172,704)
Income tax expense	-
Loss after income tax	(172,704)
Loss on disposal before income tax	(163,987)
Income tax expense	-
Loss on disposal after income tax	(163,987)
Loss after income tax expense from discontinued operations	(336,691)
Cash flow:	
Net cash used in investing activities	(84,929)
Net cash from financing activities	135,874
Effect of exchange rate changes on cash	(42,653)
Net Increase/decrease in cash and cash equivalents from discontinued operations	8,292

17. Discontinued Operations (continued)

Details of the sale of the subsidiary	**$**
Carrying amounts of assets and liabilities disposed:	
Cash and cash equivalents	3
Net assets	3

Details of disposal:	
Total sale consideration	-
Non-controlling interests	(141,191)
Carrying amount of net assets disposed	(3)
Derecognition of foreign currency reserve	(22,793)
Disposal costs	-
Loss on disposal before income tax	(163,987)
Income tax expense	-
Loss on disposal after income tax	(163,987)

	Consolidated	
	2016	**2015**
	$	**$**

18. Auditors' Remuneration

Remuneration of the auditor of the company, BDO Audit (WA) Pty Ltd, for:		
Audit services	**49,603**	33,558
Taxation advice – BDO Corporate Tax (WA) Pty Ltd	**28,834**	17,289
Corporate advice – BDO Corporate Finance (WA) Pty Ltd	**-**	10,850
	78,437	61,697
Payments to other auditors		
Due diligence report – BDO East Coast Partnership	**-**	12,000
Total remuneration to auditors	**78,437**	73,697

19. Contingent Liabilities

The Consolidated entity has no material contingent liabilities as at reporting date (2015: Nil).

20. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis that it has only one main operating segment. Previously, this involved the exploration of mineral resources in West Africa. With the acquisition of Dubber Pty Ltd on 27 February 2015 and the disposal of the West African gold projects on 31 March 2015, the Group's sole continuing operation is the Dubber technology suite. All the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal purposes are consistent with those applied in the preparation of these financial statements.

	Corporate $	Gold West Africa (Discontinued) $	SaaS $	Total $
Year Ended 30 June 2016				
Revenue	**19,776**	**-**	**984,635**	**1,004,411**
Result (Loss)	**(3,478,712)**	**-**	**(5,821,943)**	**(9,300,655)**
Total assets	**2,211,912**	**-**	**9,819,047**	**12,030,959**
Total liabilities	**(256,818)**	**-**	**(885,343)**	**(1,142,161)**
Acquisition of non-current assets	**-**	**-**	**42,191**	**42,191**
Depreciation of non-current assets	**(220)**	**-**	**(8,787)**	**(9,007)**
Intangible assets	**-**	**-**	**8,943,717**	**8,943,717**
Amortisation	**-**	**-**	**(1,237,050)**	**(1,237,050)**
Year Ended 30 June 2015				
Revenue	7,416	-	62,203	69,619
Result (Loss)	466,818	(180,204)	(1,813,501)	(1,526,887)
Total assets	1,635,273	-	11,480,104	13,115,377
Total liabilities	(93,850)	-	(933,158)	(1,027,008)
Acquisition of non-current assets	-	-	8,848	8,848
Depreciation of non-current assets	(663)	(17,059)	(2,305)	(20,027)
Exploration expensed	-	(119,414)	-	(119,414)
Impairment of property, plant and equipment	-	(43,731)	-	(43,731)
Intangible assets	-	-	11,027,668	11,027,668
Amortisation	-	-	(310,998)	(310,998)

21. Related Party Transactions

Subsidiaries

The consolidated financial statements include the financial statements of Dubber Corporation Limited and the subsidiaries listed in the following table:

	Country of Incorporation	Class of Shares	Equity Holding 2016 %	Equity Holding 2015 %
Westaf Pty Ltd	Australia	Ordinary	-	100
JEM Resources Pty Ltd	Australia	Ordinary	-	100
Cote Gold Pty Ltd	Australia	Ordinary	-	100
Queen Gold Pty Ltd	Australia	Ordinary	-	100
Medulla Group Pty Ltd	Australia	Ordinary	**100**	100
Dubber Pty Ltd	Australia	Ordinary	**100**	100
Dubber Ltd	England and Wales	Ordinary	**100**	-

Parent entity

Dubber Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Dubber Corporation Limited's key management personnel for the year ended 30 June 2016.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	Consolidated 2016 $	Consolidated 2015 $
Short-term employee benefits	**1,356,195**	532,665
Long-term benefits	**22,455**	7,742
Post-employment benefits	**74,832**	34,589
Share-based payments	**1,167,327**	282,772
	2,620,809	857,768

Other transactions with key management personnel

Payments totalling nil (2015: $17,482) were paid to Ventnor Resources Ltd (a company associated with Mr Pawlowitsch) for rent for the Company’s former offices in West Perth and shared expenses.

Platform testing consulting fees totalling $70,818 (2015: $47,143) were charged by Prueba Pty Ltd, a company associated with Mr Steve McGovern.

Payments totalling $2,472 (2015: nil) were made for telephony services provided by Canard Pty Ltd, a company associated with Mr Steve McGovern and Mr Adrian Di Pietrantonio.

21. Related Party Transactions (continued)

Intelligent Voice and 1300 MY SOLUTION are businesses associated with Mr Steve McGovern and Mr Adrian Di Pietrantonio. The Group earned service fee income of $32,572 (2015: $7,260) from Intelligent Voice and $293,714 (2015: $51,327) from 1300 MY SOLUTION. Trade receivables at 30 June 2016 include balances of nil (30 Jun 2015: $18,518) due from Intelligent Voice and nil (30 June 2015: $57,095) due from 1300 MY SOLUTION.

During the previous year, Vault Pty Ltd, a company associated with Mr Pawlowitsch advanced a short term loan of $50,000 to the Company in January 2015. This amount was repaid in March 2015 with interest of $7,500.

Other payables at 30 June 2016 includes an accrual of $75,000 for the cash bonus payable to Mr Steve McGovern for the period January to June 2016 included in his remuneration for 2016.

Balances in trade creditors at 30 June 2015, included the amounts of $10,323 for Mr Adrian Di Pietrantonio and $ 1,880 for Mr James Slaney.

Other receivables at 30 June 2016 includes an amount of $140,977 (30 June 2015: $106,366) receivable from the Medulla Group Pty Ltd vendors, including Mr Steve McGovern, Mr James Slaney and Mr Adrian Di Pietrantonio.

Amounts included in the remunerations for Mr Gavin Campion and Mr Simon Coxhell were paid to their consultancy companies Hydria Plenus Pty Ltd and Coxrocks Pty Ltd respectively. An amount of $9,000 (2015: nil) included in the remuneration for Mr Peter Pawlowitsch was paid to his consultancy company Gyoen Pty Ltd for advisory services outside his usual Board duties.

All transactions are conducted on normal commercial terms and on an arm's length basis.

22. Cash Flow Information

	Consolidated	
	2016	**2015**
	$	**$**
Reconciliation of loss for the year to net cash flows from operating activities		
Net loss for the period	**(9,300,655)**	(1,526,887)
Non-cash flows in loss:		
Depreciation and amortisation	**1,246,057**	331,025
Share based payments	**2,255,879**	515,903
Exploration expensed	**-**	119,414
Impairment of property, plant and equipment	**-**	43,731
Loss on disposal of subsidiary	**-**	163,987
Income tax benefit	**-**	(2,008,734)
Changes in assets and liabilities:		
Increase in trade and other receivables	**(101,719)**	(22,060)
(Decrease)/Increase in trade and other payables	**(37,089)**	32,505
Increase in provisions	**72,821**	11,756
Net cash outflows from operating activities	**(5,864,706)**	(2,339,360)

23. Share Based Payments

Value of share based payments in the financial statements

	Consolidated 2016 $	Consolidated 2015 $
Expensed – directors and other key management personnel remuneration:		
Performance options	**433,150**	8,300
Performance shares	**573,119**	10,981
Management performance shares	**161,058**	263,491
	1,167,327	282,772
Expensed – other employees remuneration:		
Fully paid ordinary shares	**309,000**	-
Employee options	**347,272**	-
Offered but unissued shares	**276,330**	-
	932,602	-
Expensed – consulting fees:		
Fully paid ordinary shares	**121,000**	151,192
Unlisted options	**34,950**	-
Vendors advisors’ performance shares	**-**	81,939
	155,950	233,131
Share based payments in capital raising costs:		
Unlisted brokers options	**-**	70,200
	2,255,879	586,103

23. Share Based Payments (continued)

Summary of share based payments

Shares:

During the year, the Company issued:

- 268,888 fully paid ordinary shares as consideration for advisory fees of $121,000; and
- 800,000 fully paid ordinary shares valued at $309,000 on the vesting date of shares offered as incentives to employees.

During the previous financial year, the Company issued 755,961 fully paid ordinary shares as consulting fees with a value of $151,192 to advisors to the acquisition of Medulla Group Pty Ltd.

Options:

Set out below are the summaries of options granted as share based payments:

2016

Grant Date	Expiry Date	Exercise Price	Defer Type	Balance 01/07/15	Granted	Exercised	Expired or Forfeited	Balance 30/06/16	Number vested and exercisable
25/11/13	25/11/16	$0.25		1,000,000	-	(197,000)	-	803,000	803,000
15/12/14	31/01/18	$0.25		3,000,000	-	(1,630,000)	-	1,370,000	1,370,000
27/02/15	27/02/18	$0.25		600,000	-	-	-	600,000	600,000
9/06/15	30/06/18	$0.40	1.	2,700,000	-	-	-	2,700,000	2,700,000
30/06/15	31/03/19	$0.25	2.	2,250,000	-	-	-	2,250,000	750,000
31/03/16	31/03/19	$0.72		-	100,000	-	-	100,000	100,000
				9,550,000	100,000	(1,827,000)	-	7,823,000	6,323,000
Weighted average exercise price				$0.29	$0.72	$0.25		$0.31	$0.32

2015

Grant Date	Expiry Date	Exercise Price	Defer Type	Balance 01/07/14	Granted	Exercised	Expired or Forfeited	Balance 30/06/15	Number vested and exercisable
26/09/11	26/09/14	$0.40		3,450,000	-	-	(3,450,000)	-	-
13/12/11	13/12/14	$0.40		1,000,000	-	-	(1,000,000)	-	-
23/02/12	23/02/15	$0.40		500,000	-	-	(500,000)	-	-
25/11/13	25/11/16	# $0.25		5,000,000	-	-	# (4,000,000)	1,000,000	1,000,000
15/12/14	31/01/18	$0.25		-	3,000,000	-	-	3,000,000	3,000,000
27/02/15	27/02/18	$0.25		-	600,000	-	-	600,000	600,000
9/06/15	30/06/18	$0.40	1.	-	2,700,000	-	-	2,700,000	-
30/06/15	31/03/19	$0.25	2.	-	2,250,000	-	-	2,250,000	-
				9,950,000	8,550,000	-	(8,950,000)	9,550,000	4,600,000
Weighted average exercise price				$0.22	$0.30		$0.40	$0.29	$0.25

- 1:5 consolidation of shares and options on 15/12/14

23. Share Based Payments (continued)

The various deferred vesting options listed above are subject to milestones or vesting dates which are listed below. Probability of achieving these milestones or vesting dates have been assessed at 100%.

1. Performance options convert into unlisted exercisable options upon the achievement of the following milestones:
Milestone 1: The Company achieving a share price with a 20 day VWAP over 50 cents.
Milestone 2: The Company achieving a share price with a 20 day VWAP over 75 cents.

2. Employee options vest and become exercisable on the following dates provided the employee is an employee of the Company at the relevant vesting date:
Vesting date 1: 1 March 2016 - 750,000 options
Vesting date 2: 1 March 2017 - 750,000 options
Vesting date 3: 1 March 2018 - 750,000 options

The assessed fair values of the options was determined using a binomial option pricing model or Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. For the options granted during the current financial year, the inputs to the model used were:

Grant date	15/12/2014	27/02/2015	9/06/2015	30/06/2015	31/03/2016
Dividend yield (%)	-	-	-	-	-
Expected volatility (%)	100%	100%	60%	100%	100%
Risk-free interest rate (%)	2.045%	2.26%	1.79%	2.045%	1.905%
Expected life of options (years)	3.125	3	3.21	3.75	3
Underlying share price ($)	$0.20	$0.20	$0.394	$0.325	$0.595
Option exercise price ($)	$0.25	$0.25	$0.40	$0.25	$0.72
Value of option ($)	$0.13405	$0.11700	$0.1635	$0.2344	$0.3495

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2016 was 1.96 years (2015: 2.86 years).

The weighted average fair value of share-based payment options granted during the year was $0.3495 (2015: $0.16856) each.

Performance shares:

Each performance share converts into one fully paid ordinary share for nil cash consideration, upon the achievement of performance based milestones.

Set out below are the summaries of performance shares issued as share based payments:

2016

Type	Grant Date	Expiry Date	Balance 01/07/15	Granted	Converted	Forfeited	Balance 30/06/16
1.	28/11/14	27/05/17	4,000,000	-	(1,000,000)	-	3,000,000
3.	27/02/15	27/08/15	204,848	-	(204,848)	-	-
4.	9/06/15	30/06/18	1,800,000	-	(1,800,000)	-	-
			6,004,848	-	(3,004,848)	-	3,000,000

23. Share Based Payments (continued)

2015

Type	Grant Date	Expiry Date	Balance 01/07/14	Granted	Converted	Forfeited	Balance 30/06/15
1.	28/11/14	27/05/17	-	4,000,000	-	-	4,000,000
2.	27/02/15	27/02/15	-	204,848	(204,848)	-	-
3.	27/02/15	27/08/15	-	204,848	-	-	204,848
4.	9/06/15	30/06/18	-	1,800,000	-	-	1,800,000
			-	6,209,696	(204,848)	-	6,004,848

The weighted average remaining contractual life of performance shares outstanding at 30 June 2016 was 0.91 years (2015: 1.51 years)

The various performance shares listed above are subject to milestones which are listed below. Probability of achieving these milestones have been assessed at 100%.

1. Management performance shares
Milestone 1: Upon all of the following being achieved:
(e) enter into 1 Australian re-seller agreement for the Dubber technology suite;
(f) enter into re-seller and deployment partner agreement for the Dubber technology suite;
(g) enter into a re-seller integration partner agreement with 1 Australian based telecommunications Carrier for the Dubber technology suite;
(h) enter into a partner agreement with a technology company which will assist with establishing a re-seller/integration agreement for the Dubber technology suite in a jurisdiction outside of Australia.
Milestone 2: Upon the following being achieved:
$30,000 (ex GST) in billed monthly revenue via channel.
Milestone 3: Upon the following being achieved:
$100,000 (ex GST) ¡n billed monthly revenue via channel.
Milestone 4: Upon the following being achieved:
The Company breaking even, based on EBITDA over a rolling 3 month period. If this milestone is achieved, then Milestones 1, 2 and 3 will be deemed achieved.

2. Vendors advisors' performance shares
Milestone: The Company attaining 1,000 paying end users

3. Vendors advisors' performance shares
Milestone: The Company attaining 3,000 paying end users by six months

4. Performance shares
Milestone 1: The Company achieving a share price with a 20 day VWAP over 50 cents.
Milestone 2: The Company achieving a share price with a 20 day VWAP over 75 cents.

23. Share Based Payments (continued)

Offered but unissued shares

The Company formally offered the following shares to employees. The shares are not issued to the employees until the vesting date provided the employee is an employee of the Company at the relevant vesting date.

Vesting Date	Balance 01/07/15	Offered	Ord FP Shares Issued	Forfeited	Balance 30/06/16
1/03/16	800,000	-	(800,000)	-	-
1/03/17	700,000	-	-	-	700,000
1/03/18	700,000	-	-	-	700,000
	2,200,000	-	(800,000)	-	1,400,000

24. Parent Entity Disclosures

Summary Financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	2016 $	2015 $
Statement of financial position		
Current assets	**2,211,912**	1,635,053
Non-current assets	**8,933,704**	8,538,432
Total assets	**11,145,616**	10,173,485
Current liabilities	**256,818**	93,850
Total liabilities	**256,818**	93,850
Net Assets	**10,888,798**	10,079,635
Equity		
Issued capital	**25,455,700**	17,637,006
Reserves	**5,535,229**	5,252,839
Accumulated losses	**(20,102,131)**	(12,810,210)
Total equity	**10,888,798**	10,079,635
Loss for the year	**(7,291,921)**	(5,097,008)
Total comprehensive loss	**(7,291,921)**	(5,097,008)

The parent entity had no expenditure commitments or contingent liabilities at 30 June 2016 or 30 June 2015.

25. Non-controlling Interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. Amounts disclosed are before intercompany eliminations.

	Major Star SA 2015 %
Ownership interest held by non-controlling interests	100
	$
Summarised statement of financial position	
Current assets	-
Non-current assets	-
Total assets	-
Current liabilities	-
Non-current liabilities	-
Total liabilities	-
Net Assets	-
Accumulated NCI	-
Summarised statement of profit or loss and other comprehensive income	
Loss for the year	(172,704)
Other comprehensive income	(42,663)
Total comprehensive loss	(215,367)
Losses allocated to NCI	(17,270)
Summarised cash flows	
Cash flows from operating activities	-
Cash flows from investing activities	(84,929)
Cash flows from financing activities	135,874
Foreign exchange movement	(42,653)
Net (decrease) in cash and cash equivalents	8,292
Transactions with non-controlling interests	-

On 31 March 2015, the consolidated entity sold its 90% interest in Major Star SA (note 17).

26. Commitments

Operating lease commitments

	Consolidated 2016 $	Consolidated 2015 $
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Payable – minimum lease payments		
- Not later than one year	**153,577**	148,383
- After one year but not more than five years	**378,931**	532,508
	532,508	680,891

Medulla Group Pty Ltd entered into a lease for the Group's principal place of business on Russell Street in Melbourne with an unrelated landlord which commenced on 24 October 2014. The initial term of the lease is five years, with an option to extend for a further term of five years. Rental for the first year is $145,000 per annum, however the first five months of the term is subject to a rent free period. On each anniversary of the lease commencement date, the rent will be increased by a fixed rate of 3.5%.

The Company has not declared a dividend.

27. Events Subsequent to Year End

There are no matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

The financial report was authorised for issue on 16 September 2016 by the board of directors.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, and:
   (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the financial position of the Company as at 30 June 2016 and of its performance for the financial year ended on that date.

2. The Managing Director and Company Secretary have each declared that:
   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements and notes for the financial year comply with the accounting standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the opinion of the directors' there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

4. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Peter Pawlowitsch
Director

Dated: 16 September 2016

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Dubber Corporation Limited

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Dubber Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Dubber Corporation Limited is in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1a.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which describes conditions that give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 19 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Dubber Corporation Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue
Director

Perth, 16 September 2016

Additional Shareholder Information

The following additional information is current as at 15 September 2016.

CORPORATE GOVERNANCE:

The Company's Corporate Governance Statement is available on the company's website at www.dubber.net/investors.

SUBSTANTIAL SHAREHOLDER:

Holder Name	Holding	% IC
STEVE MCGOVERN NOMINEES PTY LTD	4,266,124	5.34%
Technical Investing Pty Ltd	3,996,973	5.00%

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	448	113,712	0.14%
1,001 - 5,000	305	849,109	1.06%
5,001 - 10,000	241	2,041,495	2.55%
10,001 - 100,000	544	20,452,418	25.59%
100,001 - 9,999,999,999	130	56,472,691	70.65%
Totals	**1,668**	**79,929,425**	**100.00%**

There are 472 shareholders with less than a marketable parcel.

VOTING RIGHTS

Each fully paid ordinary share carries voting rights of one vote per share.

THE TOP 20 HOLDERS OF ORDINARY SHARES ARE:

Position	Holder Name	Holding	% IC
1	STEVE MCGOVERN NOMINEES PTY LTD	4,266,124	5.34%
2	TECHNICAL INVESTING PTY LTD	3,996,973	5.00%
3	UBS NOMINEES PTY LTD	2,784,515	3.48%
4	PENELOPE SLANEY <PJ SLANEY FAMILY A/C>	2,674,831	3.35%
5	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	2,674,822	3.35%
6	AUSTRALIAN ASSOCIATED FINANCE PTY LTD	2,500,000	3.13%
7	MRS HELEN GANDEL & MR ANTHONY GANDEL <H&T GANDEL S/F A/C>	2,250,000	2.82%
8	ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	2,140,072	2.68% -
9	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	1,629,403	2.04%
10	ZAV40 INVESTMENTS PTY LTD	1,302,000	1.63%
11	MR ELYAS KHALIQI	1,243,278	1.56%
12	ALTA HOLDINGS PTY LTD <STILLWATER A/C>	1,197,000	1.50%
13	EARTHRISE HOLDINGS PTY LTD <THE CAMPION INVESTMENT A/C>	1,100,000	1.38%
14	VENN MILNER SUPERANNUATION PTY LTD	1,000,000	1.25%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	937,731	1.17%
16	J P MORGAN NOMINEES AUSTRALIA LIMITED	886,806	1.11%
17	MORPARQ PTY LTD	800,000	1.00%
18	AXIAS GROUP PTY LTD	799,999	1.00%
19	MADACHI HOLDINGS PTY LTD	791,293	0.99%
20	JACKO13 PTY LTD <JACKO13 FAMILY A/C>	751,519	0.94%
	Totals	**35,726,366**	**44.70%**
	Total Issued Capital	**79,929,425**	**100.00%**

UNQUOTED EQUITY SECURITIES

Number	Number of Holders	+Class	Escrow Period	Holders of more than 20%
803,000	5	Options exercisable at 25 cents expiring 25 November 2016		Nil
4,451,800	6	Ordinary Shares	24 months from quotation	Nil
3,000,000	1	Management Performance Shares	24 months from quotation	Earthrise Holdings Pty Ltd (3,000,000)
4,781,328	3	Performance Shares	24 months from quotation	Steve McGovern Nominees Pty Ltd (3,541,347)
2,920,000	17	Unlisted options exercisable at 25 cents expiring 31/1/2018	24 months from quotation	Morpaq Pty Ltd (400,000)
680,000	3	Unlisted options exercisable at 25 cents expiring 27/2/2018		Wales Riding Pty Ltd (300,000) Closeburn Pty Ltd (300,000)
1,800,000	7	Performance Shares		Steve McGovern Nominees Pty Ltd (800,000)
2,700,000	7	Performance Options		Steve McGovern Nominees Pty Ltd (1,200,000)
2,250,000	8	Unlisted options exercisable at 25 cents expiring 31/3/2019 vesting 1/3/2016, 1/3/2017, 1/3/2018		Employee incentive scheme