TASFOODS LIMITED

(formerly ONCARD INTERNATIONAL LIMITED)
ACN 084 800 902

Financial Report for the Year Ended 31 December 2015

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The Directors of TasFoods Limited (the "Company") submit herewith the Financial Report on the Company and its controlled entities (the "Group") for the financial year ended 31 December 2015.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Mr Rob Woolley	Chairman and Non-Executive Director. *BEc, FCA*. Rob was appointed to the Board as a Director on 3 September 2015, and was appointed as Chairman. Rob is chairman of the audit committee and a member of the Remuneration & Nomination Committee
Experience and qualifications	Rob was appointed to the Board to enhance the board's skills in the areas of branded food products and strategic business development. Rob is the Chairman of ASX-listed Bellamy's Australia Limited, a branded organic baby food company. He is the former chairman of Tandou Limited and a board member of Forestry Tasmania and the not-for-profit Tasmanian Leaders Inc. Rob was previously managing director of Webster Limited following over 20 years as a partner at Deloitte.
Other Directorships in listed entities:	Bellamy's Australia Limited (since 2007)
Former Directorships in listed entities in last 3 years:	Tandou Limited (until July 2015)
Interests in shares and options	223,000 Ordinary Shares 4,250,000 share options exercisable at $0.21 before 3 September 2019 4,250,000 share options exercisable at $0.42 before 3 September 2019
Ms Jane Bennett	Chief Executive Officer ('CEO') and Managing Director. Jane was promoted to the position of CEO and director on 18 February 2016, having served the Company as Head of Strategic Development and General Manager of Dairy since September 2015.
Experience and qualifications	Jane was appointed to build TasFoods into a successful branded food business based on the unique attributes of Tasmania and its produce. Jane has extensive experience in the premium branded food industry in Tasmania, including as the former managing director of Ashgrove Cheese, one of Australia's leading premium dairy brands. Jane also chaired the Tasmanian Food Industry Council for 8 years and was a board member of the Brand Tasmania Council for 10 years. Jane has spent 4 years working as a non-executive director in a diverse portfolio of companies including the CSIRO, Australian Broadcasting Corporation and Tasmanian Ports Corporation.
Other Directorships in listed entities:	None
Former Directorships in listed entities in last 3 years:	None
Interests in shares and options	199,000 Ordinary Shares 1,250,000 share options exercisable at $0.21 before 3 September 2019 1,250,000 share options exercisable at $0.42 before 3 September 2019

Mr Hugh Robertson	Non-Executive Director.
	Hugh Joined the Board as a Director on 21 February 2015. Hugh was appointed as Chairman on 30 June 2015 and stood down when Rob Woolley was appointed. Hugh is a member of the Audit Committee and the Remuneration & Nomination Committee.
Experience and qualifications:	Hugh has over 25 years' experience in the financial services industry, commencing his stockbroking career in 1983. During that time, he has been involved in a number of successful stockbroking and equity capital markets businesses including Falkiners Stockbroking and Bell Potter Securities.
Other Directorships in listed entities:	Hub24 Limited (since April 2011), Primary Opinion Limited (since October 2015), AMA Limited (since June 2015)
Former Directorships in listed entities in last 3 years:	Nil
Interests in shares and options	174,000 Ordinary Shares
Mr Roger McBain	Executive Director Finance. BBus, ACA. Roger was appointed to the Board as a Director on 3 September 2015.
Experience and qualifications:	Roger is a chartered accountant and will bring broad commercial and financial skills to the board. Roger is a former partner of Deloitte, based in Launceston.
Other Directorships in listed entities:	Nil
Former Directorships in listed entities in last 3 years:	Nil
Interests in Shares and options	199,000 Ordinary Shares 1,250,000 share options exercisable at $0.21 before 3 September 2019 1,250,000 share options exercisable at $0.42 before 3 September 2019
Mr Antony Robinson	Non-Executive Director. *BCom, ASA, MBA*.
	Antony joined the Board on 29 May 2015 and was appointed as Managing Director on 6 June 2015. On 1 September 2015 Antony's role as Managing Director ceased, and Antony was appointed as a Non-Executive Director. Antony is the Chairman of the Audit Committee and the Remuneration & Nomination Committee.
Experience and qualifications:	Antony has extensive experience in senior roles in the financial services, insurance and telecommunications sectors. He is currently a director of Bendigo & Adelaide Bank Limited and was previously managing director of Centrepoint Alliance Limited. Prior to that he held a number of senior executive roles including executive director and CEO of IOOF Holdings Ltd, managing director and CEO of OAMPS Limited.
Other Directorships in listed entities:	Bendigo & Adelaide Bank Limited (since April 2006), Pacific Current Group Limited (since August 2015), Primary Opinion Limited (since October 2015), PSC Insurance Group Ltd (since July 2015)
Former Directorships in listed entities in last 3 years:	Centrepoint Alliance Limited - Resigned April 2014
Interests in shares and options	400,000 Ordinary Shares 1,500,000 options exercisable at $0.21 before 3 September 2019.

Mr Ross Burney

Former Chairman and Non-Executive Director, *BEc*

Ross joined the Board as a Director in May 2010 and was elected as Chairman on 6 June 2014. Ross resigned from the board on 30 June 2015. Ross has over 20 years' experience as an accountant and investment manager having previously worked for BDO Chartered Accountants, Brierley Investments Limited and Guinness Peat Group.

Mr Ashley Killick

Former Chief Financial Officer ("CFO") and Director
Ashley was appointed as CFO during 2014 and then as a director on 29 June 2015. Ashley is a chartered accountant, previously a partner in Corporate Finance at PricewaterhouseCoopers. In addition, Ashley has held several Chief Financial Officer positions at ASX listed companies. He is a Senior Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Institute of Company Directors and a Certified Member of the Governance Institute of Australia.

Company Secretaries

Mr M Licciardo

Joint Company Secretary

Experience and qualifications:

Mark Licciardo (B Bus(Acc), GradDip CSP, FGIA, GAICD) is the founder and Managing Director of Mertons Corporate Services. A former company secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is also the former Chairman of the Governance Institute of Australia (GIA) Victoria division and Melbourne Fringe Festival and a current non-executive director of a number of public and private companies.

Mr M Rowe

Joint Company Secretary

Experience and qualifications

Matthew Rowe is a Corporate Governance Advisor at Mertons Corporate Services, is an Associate of the Governance Institute of Australia (formerly Chartered Secretaries Australia) and has a Masters in Corporate Governance. Matthew has extensive experience of providing corporate governance, administration and company secretarial services to boards of directors of Australian, UK and European listed companies.

Meeting of Directors

The following table sets out the number of meetings of the Company's Directors during the year ended 31 December 2015 and the number of meetings attended by each Director. During the financial year 15 board meetings were held in addition to the Company's annual general meeting held on 29 May 2015.

DIRECTOR	BOARD MEETING		AUDIT COMMITTEE		REMUNERATION & NOMINATION COMMITTEE	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
R Woolley	3	3	-	-	-	-
H Robertson	15	15	3	3	1	1
R McBain	3	3	-	-	-	-
A Robinson	15	15	3	3	1	1
R Burney	11	10	3	3	1	1
A Killick	13	12	-	2	-	-

Principal Activities

Historically the Group's principal activity has been the provision of Loyalty, Rewards and Payment solutions. There has been a significant change in activities during the period with the cessation of all loyalty and reward solution operations. The group maintains a Payment solution, however, since September 2015, TasFoods has been focused on production of premium cream, butter and dairy products.

Operating Results and Financial Position

Below is a summary of the operating results and financial position for the period:

- Net loss from continuing activities: $ 2,095,222 (2014: $2,410,058)
- Net loss from discontinued activities: $ 2,107,322 (2014: $14,348,152 profit)

The financial results for the year ended 31 December 2015 have been impacted by discontinuation of the foreign loyalty and payment solutions operations, including the disposal of all businesses registered in China.

The decision to discontinue these operations was taken after the completion of a strategic review by the Board of the Company. This review found that: -

1. The businesses are likely to require material ongoing investment to make them profitable; and
2. The potential returns are uncertain, may not materialise for some time and are unlikely to be material.

In September the Company completed the acquisition of the assets of the Meander Valley Dairy business. This business has contributed revenues of $789,890 and net profits of $47,405 for the period it was operated by the Group to 31 December 2015.

Head Office expenses amounted to $3,724,524 for the year, with a number of expenditures that are not recurring. The employee benefits expense included equity based payments of $217,000 and the former CEO's bonus of $850,000. There were also significant legal expenses incurred during the year in relation to the Van Diemen's Land matter, and significant professional fees and other expenditure incurred in seeking and reviewing acquisition targets.

MarketSmart contributed a profit of $133,642 for the year.

The Group's position as at 31 December 2015 is as follows:

- Cash at bank and on hand $2,798,864 (2014: $55,331,183)
- Total Current Assets: $4,617,744 (2014: $58,595,043)
- Total Current Liabilities: $1,176,541 (2014: $1,288,613)
- Total Non-Current Assets: $2,109,301 (2014: $52,126)
- Net Assets: $5,550,504 (2014: $57,358,556)

The financial position, and the net assets, of the Group have been significantly impacted by the share buy-back and dividend payments during the year. The Group's position remains healthy and the Director's believe the Group is in a good position to exploit any opportunities for merger and acquisition as they arise.

Dividends

On 16 February 2015 the Company declared an unfranked dividend of 9 cents per share, a total of $15,711,560. This dividend had a record date of 23 February 2015 and a payment date of 20 March 2015. The amount per security of this dividend that relates to foreign sourced income is 9 cents per share.

Significant Change in State of Affairs

Share Buy Back

The off market, equal access share buy-back scheme, approved by shareholders on 25 May 2015, was closed on June 24 2015. 429 shareholders accepted the buyback offer for 153,709,376 shares. As such, the Company cancelled these shares on June 26, 2015 and made payment to accepting shareholders of the buy-back consideration, totalling $33,816,063.

Discontinued operations

Following the strategic review carried out during the year, the Company has discontinued all overseas loyalty and payment solutions operations. During the year, all interests in Chinese entities were disposed of, with cash of $943,790 foregone in the disposal. The Company retains its interests in the remaining entities in Hong Kong, Singapore and Malaysia but is in the process of deregistering these entities or, in the case on Oncard Pte Ltd in Singapore, liquidating the company's assets.

New Constitution

A new constitution was approved by shareholders at a General Meeting held on 19 November 2015. The constitution was released to the ASX on 19 November 2015.

Acquisition of Meander Valley Dairy Business

TFL acquired the Meander Valley Dairy branded food products business (Meander Valley) based in Tasmania for consideration of $2.1 million. Of the consideration, $300,000 was satisfied by the Company issuing 1,666,667 new fully paid ordinary shares to the sellers (Robin and Karen Dornauf). The balance of the consideration ($1,800,000) was paid in cash.

Meander Valley specialises in the production of premium cream and dairy products. Meander Valley's processing facility is located near Launceston and its branded products are sold through distributors throughout Australia

Share purchase plan

A Share Purchase Plan (SPP) was concluded on 11 December 2015. $1,842,000 was received from 330 eligible shareholders for which 7,368,000 new fully paid TFL shares were allotted on 11 December 2015. All shares issued were priced at $0.25 per new share.

Change of name and address

At the General Meeting held on 19 November 2015, OnCard International Limited shareholders approved the change of the Company's name from OnCard International Limited to TasFoods Limited.

The Australian Securities and Investments Commission recorded the change of name on 19 November 2015. For ASX purposes, the effective date of change of the ASX code and name is Wednesday 25 November 2015 and the new ASX code is TFL.

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

After Balance Date Events

Issue of shares

On 19 February 2016 the Company issued 22,232,000 ordinary shares at $0.25 (25 cents) per share to the sophisticated investors and investors associated with the Company who took up the shortfall in the Company's share purchase plan offer (due to eligible shareholders not applying for their full entitlement of shares under the offer) and under a placement of new and fully paid ordinary shares in the Company.

Proposed acquisition of Nichols Poultry

On 18 February 2016 the Company announced that it had entered into an option agreement to acquire Nichols Poultry Pty Ltd and associated assets ("Nichols Poultry"). Under the option TasFoods has the right to acquire 100% of the company that owns and operates the poultry processing business and facility and related plant and equipment, an electricity generating wind turbine and approximately 91 hectares of land on which the processing facility and wind turbine are located, together with a farm house, sheds and other improvements. The option to acquire Nichols Poultry expires on 31 May 2016 (but may be extended by the Company up to 30 June 2016 due to delays in the transaction timetable). Once exercised, the acquisition becomes unconditional and must occur within 5 days. At completion the Company will grant a lease of part of the land to the vendor for grazing and cropping for a period of 3 years, and enter into a grower's agreement for him to raise chickens for the Nichols Poultry Business for a period of 3 years.

The acquisition consideration is $12,550,000, subject to adjustments for the amount or value of stock, capital expenditure, accounts receivable, accounts payable, employee entitlements, bank debt and other liabilities of Nichols Poultry at the date of completion. Up to $2,000,000 of the consideration is to be satisfied by the issue of fully paid ordinary shares in the Company to the vendor at an issue price which is the lower of $0.30 (30 cents) and the issue price under a proposed capital raising. TasFoods has paid a $500,000 non-refundable option fee which will be applied to the consideration payable at completion, if the option is exercised.

In addition, the Company has announced that it intends to raise up to $30,000,000 in capital to fund the acquisition and provide the Company with additional working capital. The Capital Raising is subject to shareholder approval.

Completion of the agreement is subject to a number of conditions precedent, including shareholder approval.

Settlement of litigation regarding The Van Diemen's Land Company acquisition

As a consequence of the uncertainty that arose in relation to the proposed capital raising to fund the acquisition of the assets of The Van Diemen's Land Company (**VDL**), the board of directors of TasFoods Limited (**Company**) formed the view that the prospects of obtaining specific performance of the Company's agreement to acquire the VDL assets had diminished. Although the board believed the Company's damages claim against New Plymouth District Council, Tasmanian Land Company Limited (**TLC**) and others for breach of that agreement was sound, the board was conscious that continuing the litigation would have required considerable costs and management time which could be better directed towards pursuing other opportunities for the Company. In the circumstances, the Company agreed on 22 January 2016 to settle the litigation. Under the terms of settlement, the Company received a cash payment of $1,250,000 from TLC in full and final settlement of the matter, made up of $500,000 refund of deposit and $750,000 recovery of costs.

Issue of shares

On 8 March 2016 the Company issued 1,200,000 ordinary shares at $0.25 (25 cents) per share to sophisticated investors to enable further acquisitions and other growth opportunities.

Other

Other than the above the Board are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Future Developments

As noted above, the Company has acquired an option to acquire Nichols Poultry Pty Ltd and associated assets ("Nichols Poultry"). This acquisition is part of the Company's strategy of building an integrated business based on premium food products primarily sourced from Tasmania, and follows on from the Company's acquisition in 2015 of the Meander Valley Dairy. The Company intends to fund the acquisition by a raising up to $20 million from the issue of shares in the Company. The results of the Company and its assets base will be determined by the Company's ability to complete this acquisition, as well as the identification and completion of further acquisitions. The Company is not yet in a position to provide detail as to these impacts as it undertakes due diligence procedures and other further investigation.

Indemnity and Insurance of Officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Environmental Regulations

The Company is subject to usual Federal and State Environmental Regulations. TasFoods manufacturing sites are licenced with Council and State authorities. The licences stipulate performance standards for all emissions (noise, air, odour, waste water etc), from the sites as well as the frequency and method of assessment of emissions. The Company's activities are in full compliance with all prescribed environmental regulations.

Shares under Option or Issued on Exercise of Options

The Company has 18,500,000 options on issue at 31 December 2015. These options were issued during the year under the Company's Employee Share Option Plan ('ESOP'). All options are exercisable on or before 3 September 2019. 10,000,000 are exercisable at $0.21 (21 cents) per share, and the remaining 8,500,000 are exercisable at $0.42 (42 cents) per share. The options do not entitle the holder to participate in any share issue or interest issue by virtue of holding the option. The Options do not carry voting rights or any dividend entitlement.

Proceedings on Behalf of the Company

No person has applied for leave of the Court under Section 327 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any proceedings during the year.

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

A. Principles Used to Determine the Nature and Amount of Remuneration

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives. To that end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Placing a portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

A Remuneration Committee has been in place from 1 July 2008. The Committee has the responsibility for determining and reviewing compensation arrangements for the Directors, chief executive officer (CEO) or Managing Director and the senior management team. The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration Structure

The structure of non-executive Director, executive Director and senior manager remuneration is separate and distinct.

Non-Executive Director Remuneration

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

The Constitution and the Listing Rules of the Australian Securities Exchange ("ASX") require that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The remuneration of each Director is then set at a level with the aggregate not exceeding the amount set. The latest determination was at the Annual General Meeting held on 23 November 2009 when shareholders approved an aggregate remuneration of $400,000.

Each Director receives a fee for being a Director of the Company.

Senior Management and Executive Director Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company;
- Ensure total remuneration is competitive by market standards; and
- Executive remuneration is designed to support the Company's reward philosophies and to underpin the Company's growth strategy. The program comprises the following available components:
  - Fixed remuneration component
  - Variable remuneration component including short term incentive (STI) and long term incentive (LTI).

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The fixed (primary) remuneration is provided in cash.

Variable Remuneration - Short Term Incentive (STI)

The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to achieve the operational targets and such that the cost to the Company is reasonable.

Actual STI payments granted depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

On an annual basis the individual performance of each executive is rated and taken into account when determining the amount, if any, of the short term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Company are usually delivered in the form of a cash bonus.

Variable Remuneration - Long Term Incentive (LTI)

The objective of the LTI plan is to reward in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of performance rights over ordinary shares. During the year the shareholders approved an Employee Share Option Plan under which share options were granted to directors and executives of the Company.

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

At the 2015 AGM, 36.75% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2014. The Company has therefore received greater than 25% of eligible votes against the remuneration report. Consequently, the Company has received a 'First Strike' against its 2014 remuneration report. In these circumstances the *Corporations Act 2001* requires the Company to include in this year's remuneration report an explanation of the Board's proposed action in response to that First Strike or, alternatively, if the Board does not propose any action, the Board's reason for such inaction.

Subsequent to the AGM the Board's composition has changed, and the remuneration packages of all executives has been reviewed. In addition, an Employee Share Option Plan has been introduced in order to provide directors and executives with long-term incentives that are linked to shareholders' wealth.

As such, the Company's remuneration policy has not changed, and the remuneration committee consider that the level and structure of the its remuneration are suitable for the Company. Subsequent to the 2015 AGM, the Board and the remuneration committee has not engaged any remuneration consultants to advise on remuneration policy or the level or structure of its executive remuneration.

B. Details of Remuneration

Details of the remuneration of the Directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) are set out in the following tables.

Key Management Personnel - Directors and Executives

The key management personnel ("KMP") of the Group consisted of the following Directors and executives:

	Position
Non-Executive Directors	
Mr R Woolley	Chairman & Non-Executive Director (Appointed 3 September 2015)
Mr R Burney	Chairman & Non-Executive Director (Resigned 30 June 2015)
Mr H Robertson	Independent Non-Executive Director
Mr A Robinson	Non-Executive Director
Executive Directors	
Mr R McBain	Finance Director (Appointed 3 September 2015)
Mr A Killick	CFO and Director (Appointed director 30 June 2015, resigned as director and CFO 3 September 2015)
Executives	
Ms J Bennett	CEO (Appointed 3 September 2015, appointed as CEO and to the Board 17 February 2016)
Mr T Woolley	COO (Appointed 3 September 2015)

Key Management Personnel – Service Agreements

Mr Rob Woolley (Non-Executive Chairman) appointed 3 September 2015. Mr Woolley is employed under a consent to act as a director of the Company. Summary of key terms are as follows:

- Directors' fees of $50,000 per annum (inclusive of superannuation).
- Mr Woolley must provide 4 weeks' written notice of his intention to resign or retire.

Mr Roger McBain (Executive Director Finance) from 1 December 2015. Mr McBain is employed under an employment agreement. Summary of key terms of this agreement are:

- Base salary of $200,000 per annum (plus superannuation).
- The agreement may be terminated by Mr McBain at any time by giving 6 month's written notice. The Company may terminate the agreement with 6 month's written notice. The Company may, upon written notice being provided by either party, may pay Mr McBain in lieu of notice, or require Mr McBain to work all or part of the notice period. The Company may instruct Mr McBain to work all, part or none of his duties during the notice period.
- The Company may terminate the agreement immediately without prior notice and payment in lieu where there is serious misconduct, negligence, serious or persistent breach of contract, actions that bring the Company into disrepute or in the event of a conviction of an offence that is punishable by imprisonment.
- Should Mr McBain be made redundant the Company shall make a severance payment equivalent to 12 month's salary.

Ms Jane Bennett (CEO) appointed 3 September 2015, with appointment as CEO and to the board on 18 February 2016. Ms Bennett is employed under an employment agreement. Summary of key terms of this agreement are:

- Base salary of $240,000 per annum (plus superannuation).
- The agreement may be terminated by Ms Bennett at any time by giving 6 month's written notice. The Company may terminate the agreement with 6 month's written notice. The Company may, upon written notice being provided by either party, may pay Ms Bennett in lieu of notice, or require Ms Bennett to work all or part of the notice period. The Company may instruct Ms Bennett to work all, part or none of his duties during the notice period.
- The Company may terminate the agreement immediately without prior notice and payment in lieu where there is serious misconduct, negligence, serious or persistent breach of contract, actions that bring the Company into disrepute or in the event of a conviction of an offence that is punishable by imprisonment.
- Should Ms Bennett be made redundant the Company shall make a severance payment equivalent to 12 month's salary.

Mr Tom Woolley (COO) appointed 3 September 2015, with appointment as COO on 18 February 2016, Mr Woolley is employed under an employment agreement. Summary of key terms of this agreement are:

- Base salary of $200,000 per annum (plus superannuation).
- The agreement may be terminated by Mr Woolley at any time by giving 6 month's written notice. The Company may terminate the agreement with 6 month's written notice. The Company may, upon written notice being provided by either party, may pay Mr Woolley in lieu of notice, or require Mr Woolley to work all or part of the notice period. The Company may instruct Mr Woolley to work all, part or none of his duties during the notice period.
- The Company may terminate the agreement immediately without prior notice and payment in lieu where there is serious misconduct, negligence, serious or persistent breach of contract, actions that bring the Company into disrepute or in the event of a conviction of an offence that is punishable by imprisonment.
- Should Mr Woolley be made redundant the Company shall make a severance payment equivalent to 12 month's salary.

Mr Antony Robinson (Non-Executive Director) appointed 29 May 2014. Mr Robinson was employed under an employment agreement. The terms of Mr Robinson's employment have changed, and the terms of the agreement no longer apply in accordance with a Board resolution dated 3 September 2015. Under a transition deed Mr Robinson is engaged as a non-executive director by the Company from 1 May 2015, the terms of the deed are as follows: -

- Mr Robinson is to be paid fees of $50,000 per annum (inclusive of superannuation)
- Mr Robinson must provide 4 weeks' notice of his intention to resign or retire.

The Company prohibits executives from entering into arrangements to protect the value of unvested Long Term Incentive awards. This includes entering into contracts to hedge their exposure to performance rights over shares granted as part of their remuneration package. Adherence to this policy is monitored informally on an annual basis by the Remuneration Committee requesting confirmation from each of the Executives that no such activity has occurred.

Details of Remuneration for the Year ended 31 December 2015

The individual remuneration for key management personnel of the Group receiving the highest remuneration during the year was as follows:

	SHORT TERM EMPLOYMENT BENEFITS			POST EMPLOYMENT	SHARE BASED PAYMENTS	TOTAL
	Cash Salary and Fees $	Leave provision $	Cash Bonus	Superannuation Contributions $	Share options $	$
Directors						
Mr R Burney (i)	35,714	-	-	1,786	-	37,500
Mr R Woolley (ii)	15,873	-	-	794	104,500	121,167
Mr H Robertson	48,810	-	-	2,440	-	51,250
Mr R McBain (iii)	24,167	1,410	-	1,583	27,500	54,660
Mr A Robinson	153,106	-	850,000	9,390	30,000	1,042,496
Mr A Killick (iv)	153,817	-	-	-	-	153,817
Executives						
Ms J Bennett (v)	66,667	3,949	-	6,333	27,500	104,449
Mr T Woolley (vii)	66,667	3,103	-	6,333	27,500	103,603
	564,821	**8,462**	**850,000**	**28,659**	**217,000**	**1,668,942**

(i) Mr Burney retired as Chairman and a director of the Company on 30 June 2015.
(ii) Mr R Woolley was appointed on 3 September 2015.
(iii) Mr McBain was appointed on 3 September 2015.
(iv) Mr Killick was appointed as a Director on 29 June 2015 and resigned on 3 September 2015.
(v) Ms Bennett was appointed on 3 September 2015.
(vi) Mr T Woolley was appointed 3 September 2015

Details of Remuneration for the Year ended 31 December 2014

The individual remuneration for key management personnel of the Group receiving the highest remuneration during the year was as follows:

	SHORT TERM EMPLOYMENT BENEFITS		POST EMPLOYMENT	TERMINATION BENEFITS	TOTAL
	Cash Salary and Fees $	Cash Bonus $	Superannuation Contributions $	Cash $	$
Directors					
Mr R Burney (i)	59,246	-	3,254	-	62,500
Mr H Robertson (ii)	40,674	-	2,168	-	42,842
Mr A Robinson (iii)	149,635	-	10,778	-	160,413
Mr P Abotomey(iv)	226,780	-	-	520,000	746,780
Mr C Hayes (v)	102,682	-	10,420	257,000	370,102
Executives					
Mr J Zhang (vi)	336,235	265,486	-	-	601,721
	915,252	**265,486**	**26,620**	**777,000**	**1,984,358**

(i) Mr Burney's Director's fees were paid to his primary employer between 1 January 2014 and 30 June 2014. Subsequent to this date Mr. Burney was paid his fees as a direct employee of the Company.
(ii) Mr Robertson was appointed on 21 February 2014.
(iii) Mr Robinson was appointed on 29 May 2014.
(iv) Mr Abotomey retired as CEO and director on 29 May 2014 and was no longer classed as a KMP from that date.
(v) Mr Hayes was appointed a director on 21 February 2014, and resigned as director and CFO on 29 May 2014 and was no longer classed as a KMP from that date.
(vi) Mr J Zhang resigned on 23 December 2014 and was no longer classed as a KMP from that date.

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

	Fixed Remuneration		**At risk – STI**		**At risk – LTI**	
	Year Ended 31 Dec 2015	Year Ended 31 Dec 2014	**Year Ended 31 Dec 2015**	Year Ended 31 Dec 2014	**Year Ended 31 Dec 2015**	Year Ended 31 Dec 2014
Non-Executive Directors						
Mr R Woolley	14%	-%	-%	-%	86%	-%
Mr R Burney	100%	100%	-%	-%	-%	-%
Mr H Robertson	100%	100%	-%	-%	-%	-%
Mr A Robinson	15%	100%	82%	-%	3%	-%
Executive Directors						
Mr R McBain	50%	-%	-%	-%	50%	-%
Mr P Abotomey	-%	100%	-%	-%	-%	-%
Mr A Killick	100%	100%	-%	-%	-%	-%
Executives						
Mr C Hayes (i)	-	100%	-%	-%	-%	-%
Mr J Zhang	-	56%	-%	44%	-%	-%
Ms J Bennett	74%	-%	-%	-%	26%	-%
Mr T Woolley	74%	-%	-%	-%	26%	-%

Bonuses included in remuneration

Cash bonuses paid in the current and prior reporting period are detailed in the table below.

	Short term incentive bonus (cash) Included in Remuneration *(a)*		**% vested in period**		**% forfeited in period** *(b)*	
	Year Ended 31 Dec 2015	Year Ended 31 Dec 2014	**Year Ended 31 Dec 2015**	Year Ended 31 Dec 2014	**Year Ended 31 Dec 2015**	Year Ended 31 Dec 2014
Directors						
Mr A Robinson	**$850,000**	-	**100%**	-%	**-%**	-%
Executives						
Mr J Zhang	**-**	$265,486	**-%**	100%	**-%**	-%

(a) Amounts included in remuneration for the financial period represent the amount that vested in the financial period based on achievement or satisfaction of specified performance criteria set for the calendar year ended 31 December 2015.

(b) The amounts forfeited are due to the performance criteria not being met in relation to the current financial period and the prior financial period.

C. Share Based Compensation

Issue of Shares

No new shares were issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2015 (2014: Nil).

Options Issued as Part of Remuneration for the Year ended 31 December 2015

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

Grant date	Vesting and exercisable date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
4/9/2015	3/9/2019	3/9/2019	$0.15	$0.21	$0.020
4/9/2015	3/9/2019	3/9/2019	$0.15	$0.42	$0.002

Options granted carry no dividend or voting rights and were not subject to any performance criteria. There are no performance terms attached to the options issued.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Number of options granted during the year 2015	Number of options granted during the year 2014	Number of options vested during the year 2015	Number of options vested during the year 2014
Mr R Woolley	9,500,000	-	9,500,000	-
Mr R McBain	2,500,000	-	2,500,000	-
Mr A Robinson	1,500,000	-	1,500,000	-
Ms J Bennett	2,500,000	-	2,500,000	-
Mr T Woolley	2,500,000	-	2,500,000	-

There were no share based payments as part of remuneration during the year ended 31 December 2014.

D. Additional Information

The earnings of the Group for the five reporting periods to 31 December 2015 are summarised below:

	31 Dec 2015 $	**31 Dec 2014 $**	**31 Dec 2013 $**	**31 Dec 2012 $*** **	**30 June 2012 $**
Net (loss)/profit before tax	(4,214,703)	19,010,585	3,920,286	1,881,294	2,464,617
Net (loss)/profit after tax attributable to the members of the Company	(4,204,936)	11,941,932	3,318,584	1,782,002	2,771,731

**** The period ended 31 December 2012 is a six month period following the Company's decision to change its financial reporting period to a December 31 year end effective from 1 July 2012.*

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	31 Dec 2015	31 Dec 2014	31 Dec 2012***	30 June 2012	30 June 2011
Share Performance					
Share price at start of period	26.0¢	28.5¢	19.0¢	14.0¢	22.0¢
Share price at end of period	41.0¢	26.0¢	28.5¢	18.5¢	14.0¢
Dividends		-	-	-	-
Basic (loss)/earnings per share	(4.39¢)	6.67¢	1.85¢	0.99¢	1.19¢
Diluted (loss)/earnings per share	(4.39¢)	6.67¢	1.85¢	0.99¢	1.19¢

****The share price movements are recorded for the period 1 July 2012 (Start) and 31 December 2012 (End) following the Company's decision to change its financial reporting period to a December 31 year-end effective 1 July 2012. All other reported information is for twelve month periods starting 1 July and ending 30 June.*

E. Additional Information in relation to key management personnel shareholdings

Ordinary shares held in TasFoods Limited (number) 31 December 2015	**Balance 1 January 2015**	**Issued as Remuneration**	**Share buy back**	**Other changes**	**Balance 31 December 2015**
Directors					
Mr R Burney (i)	-	-	-	-	-
Mr R Woolley (ii)				223,000	223,000
Mr H Robertson	150,000	-	-	24,000	174,000
Mr R McBain (iii)	-	-	-	199,000	199,000
Mr A Robinson	-	-	-	400,000	400,000
Executives					
Ms J Bennett (iv)	-	-	-	199,000	199,000
Mr T Woolley (v)	-	-	-	199,000	199,000
	150,000	-	-	1,196,000	1,346,000

(i) *Mr Burney is a director of CI No 2 Pty Ltd and therefore had a relevant interest in 57,586,423 ordinary shares at 31 December 2014. He resigned from the board on 30 June 2015.*
(ii) *Mr R Woolley was appointed on 3 September 2015.*
(iii) *Mr R McBain was appointed on 3 September 2015.*
(iv) *Ms J Bennett was appointed on 3 September 2015.*
(v) *Mr T Woolley was appointed on 3 September 2015*

Share options held in TasFoods Limited (number) 31 December 2015	**Balance 1 January 2015**	**Issued as Remuneration**	**Exercise of Options**	**Net Change Other**	**Balance 31 December 2015**
Directors					
Mr R Woolley	-	9,500,000	-	-	9,500,000
Mr R McBain	-	2,500,000	-	-	2,500,000
Mr A Robinson	-	1,500,000	-	-	1,500,000
Executives					
Ms J Bennett	-	2,500,000	-	-	2,500,000
Mr T Woolley		2,500,000		-	2,500,000
		18,500,000	-	-	18,500,000

This concludes the remuneration report, which has been audited.

Non Audit Services

During the year BDO East Coast Partnership, the Company's auditor, has performed certain other services in addition to their statutory duties. The Directors are satisfied that the provision of these non-audit services by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of amounts paid or payable are as follows:

	2015	2014
	$	$
Auditors of the parent entity:		
Auditing the financial report (a)	**63,000**	106,344
Non-audit services (b)	**38,865**	32,611
	101,865	138,955
PKF offices (c)		
Auditing the financial report – subsidiary companies	**14,813**	40,498
Non-audit services - subsidiary companies	**-**	-
	116,678	179,453

(a) BDO East Coast Partnership ("BDO") are the auditors of TasFoods Limited.
(b) It is the Group's policy to employ BDO on assignments additional to their statutory audit duties where BDO expertise and experience with the Group are important. These assignments relate principally to tax compliance advice.
(c) Audit services provide by PKF (HK) in relation to subsidiary company audits located in Hong Kong, Singapore and audit services provided by PKF Daxin to subsidiary company audits located in China.

The Directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence for the following reasons:

- All non-audit services have been reviewed and approved by the Audit Committee 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 Profession 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 an advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included at page 17 of the Financial Report.

Auditor

BDO East Coast Partnership continues in accordance with section 327 of the *Corporations Act 2001*. There are no officers of the Company who are former audit partners of BDO East Coast Partnership.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of Corporate Governance. The Company's Corporate Governance statement can be found at the end of this Annual Report, on page 61.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

Rob Woolley
Chairman
31 March 2016

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DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF TASFOODS LIMITED

As lead auditor of TasFoods Limited for the year ended 31 December 2015, 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 TasFoods Limited and the entities it controlled during the period.

David Garvey
Partner

BDO East Coast Partnership

Melbourne, 31 March 2016

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $	2014 $
Revenue from continuing operations	4	**1,019,390**	450,750
Other income	4	**1,456,918**	862,130
Fair value loss on financial assets		**(3,457)**	-
Raw materials used		**(510,322)**	-
Employment & contractor expense		**(1,999,723)**	(2,046,680)
Occupancy costs		**(104,494)**	(67,504)
Depreciation and amortisation		**(15,693)**	(8,400)
Travel & accommodation		**(50,666)**	(55,784)
Legal and professional fees		**(1,279,576)**	(455,969)
Impairment expense	5	**-**	(601,686)
Investment expenses	5	**(400,000)**	-
Other expenses		**(207,599)**	(464,161)
Loss before income tax		**(2,095,222)**	(2,387,304)
Income tax expense	6	**-**	(22,754)
Net Loss after tax for the year from continuing operations		**(2,095,222)**	(2,410,058)
Net Profit after tax for the year from discontinued operations	7	**(2,107,322)**	14,348,152
Net (Loss)/Profit for the year		**(4,202,544)**	11,938,094
Other Comprehensive income			
Items that may be reclassified to profit or loss in the future:			
Exchange differences on translation of discontinued operations		**(8,268)**	(423,975)
Other comprehensive loss net of tax		**(8,268)**	(423,975)
Total comprehensive income		**(4,210,812)**	11,514,119
Net Profit for the period is attributable to:			
Non-controlling interest		**2,392**	(3,839)
Owners of TasFoods Limited		**(4,204,936)**	11,941,933
		(4,202,544)	11,938,094
Total comprehensive income for the year is attributable to:			
Non-controlling interest		**2,392**	(3,839)
Owners of TasFoods Limited		**(4,213,204)**	11,517,958
		(4,210,812)	11,514,119
Basic (loss)/earnings per share (cents per share)	25	**(4.39)**	6.67
Diluted (loss)/earnings per share (cents per share)	25	**(4.39)**	6.67
Basic (loss)/earnings per share from continuing operations (cents per share)	25	**(2.19)**	(1.35)
Diluted (loss)/earnings per share from continuing operations (cents per share)	25	**(2.19)**	(1.35)

The above statement should be read in conjunction with the accompanying notes.

	Note	2015 $	2014 $
Current Assets			
Cash and cash equivalents	8	**2,798,864**	55,331,183
Trade and other receivables	9	**1,718,070**	258,800
Other financial assets	10	**-**	2,754,432
Other current assets	11	**100,810**	250,628
Total Current Assets		**4,617,744**	58,595,043
Non-Current Assets			
Property, plant and equipment	12	**229,901**	52,126
Intangible assets – goodwill	13	**1,879,400**	-
Total Non-Current Assets		**2,109,301**	52,126
Total Assets		**6,727,045**	58,647,169
Current Liabilities			
Trade and other payables	14	**989,639**	745,779
Current tax payable	6	**-**	6,924
Provisions	15	**186,902**	535,910
Total current liabilities		**1,176,541**	1,288,613
Total Liabilities		**1,176,541**	1,288,613
Net Assets		**5,550,504**	57,358,556
Equity			
Contributed equity	16	**6,617,922**	38,515,577
Reserves	17	**583,711**	374,979
(Accumulated losses)/Retained earnings		**(1,651,129)**	18,265,367
Total parent entity interest		**5,550,504**	57,155,923
Non – controlling interest		**-**	202,633
Total Equity		**5,550,504**	57,358,556

The above statement should be read in conjunction with the accompanying notes.

	Contributed Equity	Reserves	(Accumulated losses)/ Retained Earnings	Non-Controlling Interest	Total
	$	$	$	$	$
At 1 January 2014	**39,671,577**	**798,954**	**6,323,434**	**206,472**	**47,000,437**
Profit / (Loss) for the year	-	-	11,941,933	(3,839)	11,938,094
Other comprehensive income	-	(423,975)	-	-	(423,975)
Total comprehensive income for the year	-	(423,975)	11,941,933	(3,839)	11,514,119
Transactions with owners in their capacity as owners:					
Purchase of shares under the share buy-back scheme	(1,156,000)	-	-		(1,156,000)
As at 31 December 2015	**38,515,577**	**374,979**	**18,265,367**	**202,633**	**57,358,556**
At 1 January 2015	**38,515,577**	**374,979**	**18,265,367**	**202,633**	**57,358,556**
Profit / (Loss) for the year	-	-	(4,204,936)	2,392	(4,202,544)
Other comprehensive income	-	(8,268)	-	-	(8,268)
Total comprehensive income for the year	-	(8,268)	(4,204,936)	2,392	(4,210,812)
Transactions with owners in their capacity as owners:					
Disposal of non-controlling interest	-	-	-	(205,025)	(205,025)
Dividends paid	-	-	(15,711,560)	-	(15,711,560)
Issue of shares	1,918,408	-	-	-	1,918,408
Purchase of shares under the share buy-back scheme	(33,816,063)	-	-	-	(33,816,063)
Share based payments	-	217,000	-	-	217,000
As at 31 December 2015	**6,617,922**	**583,711**	**(1,651,129)**	**-**	**5,550,504**

The above statement should be read in conjunction with the accompanying notes.

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**659,081**	2,999,849
Payments to suppliers and employees (inclusive of GST)		**(5,692,696)**	(6,657,403)
Interest received		**709,161**	883,788
Income taxes paid in overseas jurisdictions		**3,195**	(10,263)
Net cash used in operating activities	**24**	**(4,321,259)**	(2,784,029)
Cash flows from investing activities			
Loans advanced to other entities		**-**	(47,936)
Payments for property, plant & equipment		**(20,162)**	-
Payments for intangible assets		**-**	(205,488)
Payments for purchase of financial assets		**-**	(2,754,432)
Proceeds from disposal of financial assets		**2,750,975**	-
Profits repatriated from equity accounted investments		**-**	3,855,265
Proceeds from disposal of equity accounted investment		**-**	36,680,036
Net cash used in business combination		**(1,800,000)**	-
Settlement of litigation claim		**(250,000)**	-
Net cash foregone from disposal of subsidiaries		**(943,790)**	-
Net cash (used in)/provided by investing activities		**(262,977)**	37,527,445
Cash flows from financing activities			
Proceeds from issue of shares		**1,842,000**	-
Cost of issuing shares		**(223,592)**	-
Payments made to buy back shares		**(33,816,063)**	(1,156,000)
Dividends paid to equity holders		**(15,711,560)**	
Net cash used in financing activities		**(47,909,215)**	(1,156,000)
Net (decrease)/increase in cash held		**(52,493,451)**	33,587,416
Cash and cash equivalents at the beginning of the year		**55,331,183**	21,667,632
Effects of exchange changes on the balances held in foreign currencies		**(38,868)**	76,135
Cash and cash equivalents at the end of the year	**8**	**2,798,864**	55,331,183

The above statement should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*, as appropriate for profit oriented entities.

The financial statements cover the Company and its controlled entities as a group for the financial year ended 31 December 2015. The Company is a company limited by shares, incorporated and domiciled in Australia.

Separate financial statements for the Company as an individual entity are no longer presented as a consequence of a change to the *Corporations Act 2001*, however limited financial information for the Company as an individual entity is included in Note 18.

The following is a summary of material accounting policies adopted by the Group in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements were authorised for issue by the Directors on 31 March 2016.

Historically the Group's principal activity has been the provision of Loyalty, Rewards and Payment solutions. There has been a significant change in activities during the period with the cessation of all loyalty and reward solution operations. The group maintains a Payment solution, however, since September 2015, TasFoods has been focused on production of premium cream and dairy products.

(a) Basis of Preparation of the Financial Statements

Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial statements have been prepared under the historical cost convention. All amounts are presented in Australian dollars unless otherwise noted.

(b) Principles of Consolidation

The consolidated financial statements are those of the Group, comprising the parent entity and its controlled entities as defined in Accounting Standard AASB 10 '*Consolidated Financial Statements'*. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Details of the controlled entities are contained in Note 19(b).

Financial statements for controlled entities are prepared for the same reporting period as the parent entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

Non-controlling interests in the equity and results of the entities that are controlled are shown separately in the consolidated financial statements.

(c) Revenue Recognition

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

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the Group's right to receive the payment is established.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

(e) Trade and Other Receivables

Trade receivables, which generally have 7-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Depreciation is charged over the life of the asset on a straight line basis.

The expected useful life is:

Plant and equipment	3 to 5 years
Office equipment	3 to 5 years

Plant and Equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets.

Office Equipment

The carrying amount of computer equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. Computer equipment includes software used to operate the computer equipment.

(g) Leases

Operating lease payments are charged to the statement of profit or loss and other comprehensive income in the periods in which they are incurred, as this represents the pattern of the benefits derived from the leased assets.

(h) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(i) Intangibles

Goodwill

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(j) Impairment of Assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(k) Income Taxes

Current income tax expense or revenue is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised if it arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The Company and its wholly-owned Australian controlled entities have formed an income tax consolidated group effective 1 July 2010 under tax consolidation legislation. Each entity in the Group recognises its own deferred tax assets and liabilities arising from temporary differences. Such taxes are measured using the 'stand-alone taxpayer' approach. Current tax liabilities or assets and deferred tax assets arising from unused tax losses and tax credits in the controlled entities are immediately transferred to the head entity which is the Parent entity. No tax sharing or funding arrangements are presently in place.

(l) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on the remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date.

(m) Financial Instruments

Classification

The Group classifies its financial instruments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial instruments at the time of initial recognition.

Financial Assets at Fair Value through Profit or Loss

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

(a) An entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit and loss.

(b) Doing so results in more relevant information, because either:

(i) It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.

(ii) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value though profit or loss.

Present investment strategy is to keep assets in a highly liquid state and almost all of the investment assets are held in cash.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income.

Non-listed investments, for which fair value cannot be reliably measured, are carried at cost and tested for impairment.

Loans and Receivables

Loan and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to Director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation.

(n) Foreign Currency

Functional and Presentation Currency

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group Companies

The financial statements of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the year; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity in the statement of financial position.

(o) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

Buffet Club – Hotel Expense: Provision is made for future hotel cost expense claims. Hotel accommodation entitlements are embodied within the Buffet Club packages sold. Future claims are reliably estimated from previous redemption history.

(q) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received. Ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

(r) Earnings Per Share

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

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

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

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(t) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the year.

There following new and revised Standards and amendments thereof and Interpretations effective for the year are relevant to the Group.

AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	The Group does not have any financial assets or financial liabilities that qualify for off-setting, and therefore the requirements of the amendments do not have a material impact upon the Group's reporting requirements.
AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. The application of these amendments does not have a material impact upon the on the disclosures in the Group's consolidated financial statements.
AASB 2013-4*Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*	The amendments to AASB 139 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The Group has no designated hedging instruments. The amendments therefore have no impact on the disclosures in the consolidated financial report.
AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*	The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate but instead to measure its subsidiaries at fair value through profit or loss in its consolidated financial statements and separate financial statements. Based on the criteria set out in AASB 10 the Company is not an investment entity. Accordingly, the amendments do not have any impact on the consolidated financial statements.
AASB 2014-1 *Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010 – 2012 and 2011 – 2013 cycles)*	There are a number of amendments impacting AASB 2, AASB 3, AASB 8, AASB 13, AASB 116, AASB 138, AASB 124 and AASB 140. The amendments provide clarity around application and disclosure requirements, but do not materially impact the consolidated financial statements.

(t) New, Revised or Amending Accounting Standards and Interpretations Adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not yet mandatory for 31 December 2015 reporting periods and have not been early adopted by the Group. The major accounting standards that have not been early adopted for the year ended 31 December 2015, but will be applicable to the Group in future reporting years, are detailed below. Apart from these standards, the Group has considered other accounting standards that will be applicable in future years, however they have been considered insignificant to the Group.

- AASB 9 '*Financial Instruments'* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 '*Financial Instruments: Recognition and Measurement'*, which becomes mandatory for the Group's 31 December 2017 financial statements.
- AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 '*Revenue'*, IAS 11 '*Construction Contracts'*, and IFRIC 13 *'Customer Loyalty Programmes'*. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.
- AASB 16 *'Leases'* introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard becomes mandatory for the Group's 31 December 2019 financial statements. As the Company has no significant leases of over 12 months it is not expected that the introduction of this standard will have a material impact on the financial statements.

The Group does not consider that the effect of the above standards on the financial statements will be material.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Purchase price allocation Meander Valley Dairy

On 4 September 2014 the Company announced that it had acquired the business operations of the Meander Valley Dairy branded food products business ("Meander Valley") based in Tasmania for consideration of $2,100,000. Included in the assets acquired were plant and equipment, customer contracts, brand names and goodwill. Where possible, the Company has allocated purchase consideration to separately identifiable assets. Purchase consideration of $220,600 has been allocated to plant and equipment. It has been determined that the customer contracts and brand names cannot be distinguished or separately identified from goodwill, or reliably measured. Accordingly, the remaining purchase consideration of $1,879,400 has been allocated to goodwill.

(b) Impairment of Goodwill

Goodwill is allocated to a cash generating unit ("CGU") according to the applicable business operations. The recoverable amount of a CGU has previously been based on value-in-use discounted cash flow methodology. The Group's assets include Goodwill of $1,879,400 in relation to the Meander Valley Dairy business. The generation of the carrying value of the Goodwill, and the estimates and judgments used in estimating the value-in-use discounted cash flow for the CGU are outlined in note 13.

(c) Share based payments

During the year the Company established an Employee Share Ownership Plan, and issued share options to employees under the Plan. The share options constitute equity based payments in accordance with AASB 2 *Share Based Payments*, and the options have been valued in accordance with the requirements of AASB 2. The options have been valued by independent consultants who used both the Black-Scholes and Binomial Option Pricing Models to determine the value of the options.

The inputs used in the models were as follows: -

- Risk-free rate of interest. The rate adopted was 1.9% per annum, being the yield at the close of business on 3 September 2015 on Australian Treasury Bonds whose maturity date provides the closest approximation to the expiry date of the options.
- Volatility. Volatility is the measure of the level of fluctuation in the value of the underlying asset, in this case ordinary shares in the Company. The valuation model requires the estimation of future volatility. The volatility has been estimated using historic data from the share price of TasFoods Limited, of companies within the consumer staples market and of the wider market. The estimated volatility used in the model was 20%.
- It was assumed that no dividend would be paid by the Company prior to the expiry period of the Options.
- Discount for lack of marketability. The options issued are not transferrable without director approval. In addition, as the options are not listed on any exchange, it would be difficult to sell. Accordingly, a 50% discount has been applied in the valuation.

Under the pricing model used the share options have been valued at $217,000. A change in any of the variables used in the valuation model would result in a change in the value estimated for the options. The cost related to the issue of the options has been expensed during the year. Any change in valuation would therefore impact the loss for the year. Details of the equity based payments are contained in note 26.

(d) Restructure Provision

The Company commenced winding up the Buffet Club Singapore operations prior to 31 December 2015 following a board decision that the benefits of further investment into the operations were outweighed by the potential downside following regulatory changes to outbound call centre sales operations. The remaining costs provided for windup of the Singapore company are SG$177,909 (AUD: $172,342 at 31 December 2015). The Company has entered voluntary liquidation, however, the process remains on-going.

3. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised overleaf.

Primary responsibility for identification and control of financial risks rests with the Chief Financial Officer under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including any hedging cover of foreign currency, interest rate risk, credit allowances, and future cash flow forecast projections.

The carrying amounts and net fair values of the Group's financial assets and liabilities at balance date are:

	CARRYING AMOUNT		**NET FAIR VALUE**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Financial Assets				
Cash and cash equivalents	**2,798,864**	55,331,183	**2,798,864**	55,331,183
Trade and other receivables	**1,718,070**	258,800	**1,718,070**	258,800
Investments in financial assets	**-**	2,754,432	**-**	2,754,432
Non-Traded Financial Assets	**4,516,934,**	58,344,415	**4,516,934**	58,344,415
Financial Liabilities				
Trade and other payables	**989,639**	745,779	**989,639**	745,779
Non-Traded Financial Liabilities	**989,639**	745,779	**989,639**	745,779

Risk Exposures and Responses

Interest Rate Risk

The Group's exposure to market interest rate related primarily to the Group's cash deposits. At balance date, the Group had the following mix of financial assets exposed to Australian and overseas variable interest rate risks that are not designated as cash flow hedges:

	2015	2014
	$	$
Financial Assets		
Cash and cash equivalents	**2,798,864**	55,331,183
Investments in financial assets	**-**	2,754,432
Net exposure	**2,798,864**	58,085,615

The Group regularly analyses its interest rate opportunity and exposure. Within this analysis consideration is given to existing positions and alternative arrangements for its deposits.

Investments in financial assets refer to investments in "Hybrid Investments" which are a composition of debt and equity instruments which are traded on the ASX. The instruments comprise a combination of instruments comprising debt financing with fixed interest rates, with conversion components. The interest rate is fixed on acquisition, and the market value of the instrument is therefore impacted by increases and decreases in underling interest rates. Therefore, movements in the interest rate will be offset in the market value of the instrument, and accordingly no sensitivity has been carried out on the return on these instruments as the movement is not considered to be material.

The following sensitivity analysis is based on the interest rate opportunity/risk relating to cash deposits at balance date.

At 31 December, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	2015 **$**	2014 $
Judgements of reasonably possible movements:		
+0.5% (50 basis points)	**13,994**	276,656
-0.5 % (50 basis points)	**(13,994)**	(276,656)

The movement in profits are due to higher/lower interest received. As the Group does not have any derivative instruments the movements in equity are those of profit only. A movement of + and – 0.5% is selected because this historically is within a range of rate movements.

Foreign Currency Risk

As a result of operations in China, Hong Kong and Singapore, the Group's statement of financial position has previously been affected significantly by movements in the RMB/AUD, HKD/AUD and SGD/AUD exchange rates. As the Group has discontinued all foreign operations, it is no longer subject to significant foreign exchange risks.

Liquidity Risk

Liquidity Risk is the risk that the Group, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

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

The Group has Total Liabilities of $1,176,541 (2014: $1,288,613) of which $1,176,541 (2014: $1,288,613) is recorded as current liabilities and Total Current Assets of $4,617,744 (2014: $58,595,043) of which $2,798,864 (2014: $55,331,183) consists of cash or cash equivalents providing the Board with comfort that the Group is solvent and can meet its payment obligations in full as they fall due.

All current liabilities fall due within normal trade terms, which are generally 30 days.

Credit Risk

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

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

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

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The risks are regularly monitored. An analysis of the ageing of receivables is included in note 9.

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

Fair Value

The method for estimating fair value is outlined in the relevant notes to the financial statements. All financial assets held at fair value are valued based on the principles outlined in AASB 7 in relation to Level 1 of the hierarchy of fair values, being quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

4. REVENUE AND OTHER INCOME

	2015	2014
	$	$
Revenue from Continuing Operations		
Sales Revenue	**1,019,390**	450,750
	1,019,390	450,750
Other income		
Interest received	**706,918**	862,130
Settlement on legal matter (1)	**750,000**	-
Total other income	**1,456,918**	862,130

1. During the year the Company entered into an agreement to acquire the assets of The Van Diemen's Land Company ("VDL"). As part of the agreement the Company paid a non-refundable deposit of $500,000. Subsequent to signing the agreement the Company received notice that the owners of VDL intended to terminate the agreement as it did not consider it possible that all conditions precedent would be satisfied. The Company subsequently came to an agreement with the owners of VDL under which the Company received compensation of $1,250,000 in full and final settlement of the matter, consisting of $500,000 refund of deposit and $750,000 costs reimbursement.

   During the year the Company incurred legal expenses in relation to this matter of $715,941. These expenses are included in Legal and Professional expenses.

5. EXPENSES

	Note	2015 $	2014 $
Profit before income tax expense includes the following specific expenses:			
Employee benefits expense:			
Salaries and wages		**1,395,215**	1,785,340
Share based payments		**217,000**	-
Superannuation expense (defined contribution)		**49,831**	82,163
Cash bonus		**850,000**	-
Termination payments		**1,444**	376,135
Total employment benefits		**2,513,490**	2,243,638
Consultant fees		**294,386**	1,836,371
Other employment expenses		**77,218**	63,460
Total employment and contractor expense		**2,885,094**	4,143,469
The expense above is split as follows: -			
Continuing operations		**1,999,723**	2,046,680
Discontinued operations		**885,371**	2,096,789
		2,885,094	4,143,469
Rental expense relating to operating leases		**348,140**	641,301
Impairment expense			
- Goodwill		**-**	601,686
Investment expense		**400,000**	-

Investment expense arises from costs relating to the identification of, and pursuit of investment and acquisition opportunities. This includes non-refundable contractual payments to secure rights to exclusive periods of negotiation with third parties and associated costs.

6. INCOME TAX

	2015 **$**	2014 $
Income tax (revenue)/expense		
Current tax (revenue)/expense	**(9,767)**	3,943,176
Deferred tax movements	**-**	3,129,429
	(9,767)	7,072,605
Income tax (revenue)/expense is attributable to:		
Continuing operations	**-**	22,754
Discontinued operations	**(9,767)**	7,049,984
	(9,767)	7,072,605
Deferred income tax (revenue)/expenses included in income tax expense comprises:		
Decrease in deferred tax assets	**-**	3,597,473
Decrease in deferred tax liabilities	**-**	(468,044)
	-	3,129,429
Reconciliation of income tax expense to prima facie tax on accounting profit		
(Loss)/Profit before income tax expense	**(4,212,311)**	19,010,585
Tax (revenue)/expense at Australian tax rate of 30% (2014: 30%)	**(1,263,693)**	5,703,176
Tax effect of amounts which are not deductible/taxable in calculating taxable income	**777,953**	3,633,991
Non-assessable income		
- Gain on sale of SmartPASS	**-**	(10,768,297)
- Share of profits from associate	**-**	(544,558)
CGT assessable in sale of investment	**-**	1,345,274
Withholding tax paid in foreign jurisdiction		
- On proceeds from sale of SmartPASS	**-**	3,641,124
- On profit distribution from associate	**-**	428,365
	(485,740)	3,439,075
Difference in overseas tax rates	**12,075**	177,167
Deferred taxes not recognised	**463,898**	306,707
Tax losses now derecognised	**-**	3,149,656
Income Tax (Revenue)/Expense for the Period	**(9,767)**	7,072,605
Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised: -		
- Capital losses	**-**	-
- Revenue losses	**10,003,774**	10,815,220
	10,003,774	10,815,220
Potential tax benefit at 30%	**3,001,132**	3,245,566

The benefit of these losses has not been brought to account at 31 December 2015 because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time. These tax losses are also subject to final determination by the Taxation authorities when the Group derives taxable income. The benefits will only be realised if:

6. INCOME TAX (CONT'D)

(a) The Company and its subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;

(b) The Company and its subsidiaries continue to comply with the conditions for the deductibility imposed by law; and

(c) No changes in the tax legislation adversely affect the Company and its subsidiaries in realising the benefit of the losses.

Australian tax losses are subject to further review by the consolidated entity to determine if they satisfy the necessary legislative requirements under the Income Tax legislation for the carry forward and recoupment of tax losses. The Company is currently undertaking a review of the accessibility of the tax losses under the "Continuity of Ownership" Test, as the Company cannot access the losses by passing the Same Business Test. The review is not yet complete, and the Company is not currently in a position to state that the losses are accessible in full, or the period the losses can be accessed under the 'Available Fractions" rules.

Current Tax Liabilities	**2015 $**	2014 $
Income tax payable attributable by:		
Parent Entity		-
Other entities not in the tax consolidated group	**-**	6,924
	-	6,924

Non-current assets – deferred tax assets

Movements	**Tax Losses $**	**Other $**	**Total $**
At 1 January 2014	3,319,810	234,018	3,553,828
Credited to the statement of profit or loss and other comprehensive income	(3,352,410)	(245,063)	(3,597,473)
Adjustments for effects of changes in foreign currency exchange rates	32,600	11,045	43,645
At 31 December 2014	**-**	**-**	**-**
At 31 December 2015	**-**	**-**	**-**

Non-current liabilities-deferred tax liabilities

Movements	**Other $**	**Total $**
At 1 January 2014	456,137	456,137
Debited to the statement of profit or loss and other comprehensive income	(468,044)	(468,044)
Adjustments for effects of changes in foreign currency exchange rates	11,907	11,907
At 31 December 2014	**-**	**-**
At 31 December 2015	**-**	**-**

7 DISCONTINUED OPERATIONS

(a) Description

On 20 January 2015, the Company announced that the Board, having received and considered the results of the strategic review, had decided to close the Chinese business operations on the basis that the Directors believed: -

- The businesses are likely to require material ongoing investment to make them profitable, and
- The potential returns are uncertain, may not materialise for some time and are unlikely to be material.

On 1 June 2015, the Company entered into contracts to sell the following entities and as such has reported in the financial statements for the year ended 31 December 2015: -

- OnCard Consulting Services Shanghai Ltd;
- Yin Chang Information Technology Shanghai Co., Ltd;
- Shanghai Yifutong Network Technology Co., Ltd;
- Beijing All Payments Company Ltd;

Furthermore, the Company has taken the decision to cease all remaining operations in Asia, and is undertaking steps to de-register or liquidate the following entities: -

- OnCard Limited;
- OnCard China (HK) Limited;
- OnCard Rewards Limited
- Consolidated Payment Services Ltd;
- Payment Services China Limited;
- Payment Services China Number 2 Limited;
- OnCard Pte Ltd;

Accordingly, the results of these entities have been disclosed within discontinued operations.

In addition, the Company disposed of its interest in the SmartPASS joint venture in September 2014, and the equity accounted results of this operation have also been disclosed in discontinued operations.

(b) Financial Performance and cash flow information

		2015 **$**	2014 $
Revenue		**201,385**	2,284,231
Share of profits of investments accounted for using the equity method		**-**	1,815,194
Expenses		**(1,549,521)**	(18,595,612)
(Loss)/Profit before income tax		**(1,348,136)**	(14,496,187)
Income tax expense		**9,767**	(7,049,984)
Net (Loss)/Profit after tax for the year from discontinued operations		**(1,338,369)**	(21,546,171)
(Loss)/Gain on disposal of discontinued operations after income tax (refer c below)		**(768,953)**	35,894,323
Net (Loss)/Profit for the year		**(2,107,322)**	14,348,152
Basic (loss)/earnings per share (cents per share)	**25**	**(2.20)**	8.02
Diluted (loss)/earnings per share (cents per share)	**25**	**(2.20)**	8.02

7. DISCONTINUED OPERATIONS (CONT'D)

	2015 **$**	2014 $
Net cash inflow (outflow) from ordinary activities	**(1,542,318)**	(1,626,851)
Net cash inflow (outflow) from investing activities (1)	**(943,790)**	1,572,153
Net cash inflow (outflow) from financing activities (1)	**-**	-

Note 1: Net cash outflow from financing activities includes cash paid to the purchaser and the cash foregone on the disposal of these operations.

(c) Details of the sale of the discontinued operations

	2015 **$**	2014 $
Disposal proceeds and tax withheld (1)	**-**	40,322,323
Disposal costs and payments to purchaser	**(444,729)**	-
	(444,729)	40,322,323
Cash	**499,224**	-
Trade receivables	**1,000**	-
Other current assets	**137,000**	-
Equity accounted investments	**-**	4,428,000
Other payables	**(108,000)**	-
Outside equity interest	**(205,000)**	-
Carrying amount of net assets disposed	**324,224**	4,428,000
(Loss) Gain on disposal of discontinued operations	**(768,953)**	35,894,323

(1) The sale of the Company's interest in Shanghai Smart Service Co., Ltd was contracted in Chinese Renminbi. The Company received cash proceeds of RMB189 million, translated into AUD36.680 at AUD 1: RMB 5.15, with RMB21 million (AUD3.642 million) tax withheld and paid to the Chinese tax authorities.

	2015 $	2014 $
8. CASH & CASH EQUIVALENTS		
Cash at bank and on hand	**2,798,864**	55,331,183

The above figures are shown in the Statement of Cash Flows.

9. TRADE & OTHER RECEIVABLES

	2015 $	2014 $
Trade receivables	**433,900**	120,753
Other receivables	**1,284,170**	138,047
	1,718,070	258,800

Trade and other receivables at balance date includes the following unhedged amounts in foreign currencies:

	2015	2014
SGD NIL (2014: NIL)	**-**	-
RMB NIL (2014: 1,016,302)	**-**	187,484

Trade receivables aging is as follows:	2015 Debtor $	2015 Allowance $	2014 Debtor $	2014 Allowance $
0 to 30 days	**306,844**	**-**	47,753	-
Ageing of past due but not impaired:				
31 to 60 days	**94,521**	**-**	72,000	-
61 + days	**32,535**	**-**	-	-
	433,900	**-**	120,753	-

An allowance is made for estimated unrecoverable trade receivables amounts for those companies in the Group offering credit terms, arising from the past rendering of services, determined by reference to past default experience. Before accepting new customers, the companies check credit standing and apply limits to customers. These arrangements are reviewed periodically. At the balance date no allowance has been considered necessary (2014: Nil). Past due balances are all considered recoverable and therefore not impaired.

Included in other receivables is $1,250,000 in relation to the settlement of the Company's claim against the vendors of The Van Diemen's Land Company ("VDL).

	2015 $	2014 $
10. OTHER FINANCIAL ASSETS		
Investments in hybrid securities	**-**	2,754,432

The liquid hybrid investments are exchange traded securities that are listed equity investments on the Australian Securities Exchange (ASX) that combine elements of debt securities and equity securities with a promise to pay a rate of return at certain dates (coupon dates) during the term of the issued security. The securities are held for trading purposes only on a short term basis.

	2015 **$**	2014 $

11. OTHER CURRENT ASSETS

	2015 $	2014 $
Prepayments and deposits	**71,139**	250,628
Inventories	**29,671**	-
	100,810	250,628

12. PROPERTY, PLANT AND EQUIPMENT

	2015 $	2014 $
Plant and equipment – at cost	**267,313**	28,905
Less accumulated depreciation	**(39,690)**	(28,905)
	227,623	-
Office equipment – at cost	**158,230**	580,197
Less accumulated depreciation	**(155,952)**	(528,071)
	2,278	52,126
Total Assets	**229,901**	52,126

Reconciliations
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	2015			2014		
	Plant & Equipment $	**Office Equipment $**	**Total $**	Plant & Equipment $	Computer Equipment $	Total $
Carrying amount						
Opening balance	**-**	**52,126**	**52,126**	9,805	87,843	97,648
Additions	**17,808**	**2,354**	**20,162**	-	-	-
Additions as part of a business combination	**220,600**	**-**	**220,600**	-	-	-
Disposals	**-**	**-**	**-**	-	(5,094)	(5,094)
Assets written off	**-**	**(37,295)**	**(37,295)**	(6,300)	(2,533)	(8,833)
Depreciation expense	**(10,785)**	**(14,907)**	**(25,692)**	(4,596)	(34,806)	(39,402)
Adjustment for effects of changes in foreign exchange rates	**-**	**-**	**-**	1,091	6,716	7,807
Closing balance	**227,623**	**2,278**	**229,901**	-	52,126	52,126

13. INTANGIBLE ASSETS – GOODWILL

		2015 $	2014 $
(a)	**Carrying Value**		
	Goodwill on acquisition	**2,480,400**	-
	Accumulated impairment	**(601,000)**	
	Total net carrying amounts	**1,879,400**	-
(b)	**Reconciliations**		
	Carrying amount at beginning	**-**	9,338,280
	Business combinations during the year	**1,879,400**	
	Impairment during the period	**-**	(9,338,280)
	Carrying amount at end	**1,879,400**	-

Goodwill is subject to annual impairment testing. The balance relates to the Meander Valley Dairy business segment

Before recognition of impairment losses, the carrying amount of the goodwill (other than goodwill relating to discontinued operations) was allocated to cash-generating business units as follows:

	2015 $	2014 $
Meander Valley Dairy	**1,879,400-**	-
MarketSmart	**601,000**	601,000
	2,480,400	601,000

Recoverable amount of goodwill

Meander Valley Dairy

The recoverable amount of the Meander Valley Dairy business cash-generating unit (CGU) is determined based on a value in use calculation which uses, in accordance with AASB 136, pre-tax cash flow projections based on financial budgets approved by the Board covering a five-year period. The key assumptions used in generating the cash flow projections are as follows: -

- Revenue growth in 2016 is based upon expected sales based on existing revenues plus sales contracts secured pre-acquisition. Subsequent sales revenue growth has been estimated at 16% per annum on average. This is in line with previous growth levels experienced in the sales revenue, with average growth prior to acquisition being 14%.
- Direct costs are estimated at consistent levels of 65% of revenues.
- Indirect costs to grow over the period at an average of 10% per annum. This is in line with expected budgeted plans
- A pre-tax discount factor of 10.3% has been applied to the cash flows. This discount factor is based on the Weighted Average Cost ("WACC") of Capital of the Company, calculated using a risk free rate of return of 2%, a market risk premium of 5.5% and a beta factor of 1.5
- Terminal value of cash flows is calculated using a multiple of final year cash flows of 7 times.

Management believes that no reasonably possible changes in the key assumptions on which the recoverable amount is based would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

13. INTANGIBLE ASSETS – GOODWILL (CONTINUED)

MarketSmart

Management has yet to determine what actions will be undertaken with the MarketSmart CGU, and do not have any budgets or cash flow projection prepared for the CGU. Accordingly, the Goodwill that was impaired at 31 December 2014 remans full impaired at 31 December 2015.

14. TRADE AND OTHER PAYABLES

	2015 **$**	2014 $
Trade and other payables	**989,639**	745,779
	989,639	745,779
Trade and other payables includes amounts payable at balance date in foreign currencies:		
HKD - (2014: 801,431)	**-**	126,666
SGD - (2014: 28,511)	**-**	26,424
RMB - (2014: 2,156,419)	**-**	430,707

Due to the short term nature of these payables, the carrying value is assumed to approximate fair value.

15. PROVISIONS

Membership cards – hotel expense provision	**-**	51,842
Employee benefits – annual leave	**14,560**	-
Restructure provision *(i)*	**172,342**	184,068
Legal claim *(ii)*	**-**	300,000
	186,902	535,910

(i) **Restructure Provision**

The Company commenced winding up the Buffet Club Singapore operations prior to 31 December 2015 following a board decision that the benefits of further investment into the operations were outweighed by the potential downside following regulatory changes to outbound call centre sales operations. The expected total cost of restructure and windup of the Singapore company are SG$177,909 (2014: SG$198,609).

(j) **Legal claim**

As detailed in the 2014 Annual Report, the Company had been formally advised of a claim arising from a contract for the sale of SmartPASS and had provided $300,000 for costs associated with either defending or settling the claim. During the current reporting period, this claim was resolved in full with the Company paying the claimant $250,000.

16. CONTRIBUTED EQUITY

	NUMBER OF SHARES		SHARE CAPITAL	
	2015	2014	2015 $	2014 $
Ordinary shares – fully paid (no par value)	**29,898,181**	174,572,890	**6,617,922**	38,515,577
Total Share Capital			**6,617,922**	38,515,577

Movements in ordinary share capital:

DATE	DETAILS	ORDINARY SHARES	PRICE	$
01/01/14	Balance beginning of period	179,473,304		39,671,577
	Share buyback(i)	(4,900,414)	-	(1,156,000)
31/12/14	Balance at end of period	174,572,890		38,515,577
	Issued in current year	7,368,000	0.25	1,842,000
	Acquisition shares (ii)	1,666,667	0.18	300,000
	Share buyback (i)	(153,709,376)	-	(33,816,063)
	Share issue costs	-		(223,592)
31/12/15	Balance at end of year	29,898,181		6,617,922

(i) Shares were bought back at a range of prices between $0.225 (22.5 cents) per share and $0.24 (24 cents) per share. The average price the shares were bought back at was $0.235 (23.5 cents) per share. The buyback was completed on 26 June 2015.
(ii) 1,666,667 ordinary shares were issued at $0.18 (18 cents) per share as part of the consideration for the acquisition on the Meander Valley Dairy Business. Details are contained in note 26.

Terms and Conditions of Issued Capital

Ordinary Shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands each holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Options
Share options do not entitle the holder to participate in dividends and the proceeds on winding up of the Company. The holder is not entitled to vote at General Meetings. There were 18,500,000 options on issue during the financial year or as at 31 December 2015 (2014: Nil).

Dividends
On 20 March 2015 the year the Company paid a special dividend of 9c ($0.09) per share. The dividend was not franked. The total dividend payment was $15,711,560. No dividend was declared or paid during the year ended 31 December 2014.

17. RESERVES

	2015 $	2014 $
Foreign currency translation reserve	**366,711**	374,979
Employee share options reserve	**217,000**	-
	583,711	374,979

(i) Nature and Purpose of Reserves

Share based payment reserve

This reserve is used to record the exchange differences arising on translation of foreign operations where the foreign operations functional currency is different from the Group's presentation currency.

Employee share option reserve

The reserve is used to record the value of equity instruments issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services. Details of the Employee share option payments are contained in note 26.

(ii) Movements in Reserve

Movements in Reserve	ESOP	Foreign currency	Total
Balance at 1 January 2014	-	798,954	798,954
Movement during the period	-	(423,975)	(423,975)
Balance at the beginning of period	-	374,979	374,979
Movement during the period	217,000	(8,268)	209,932
Balance at end of period	217,000	366,711	583,711

18. PARENT ENTITY INFORMATION

Information relating to TasFoods Limited:

	2015 $	2014 $
Financial position		
Current assets	**4,473,195**	56,397,652
Non – current assets	**1,045,363**	4,840
Total assets	**5,518,558**	56,402,492
Current liabilities	**976,437**	434,468
Non-current liabilities	**-**	763,938
Total liabilities	**976,437**	1,198,406
Net assets	**4,542,121**	55,204,086
Contributed equity	**6,617,922**	38,515,577
Reserves	**217,000**	-
Accumulated Losses	**(2,292,801)**	16,688,509
Total equity	**4,542,121**	55,204,086
Financial performance		
Total revenue	**917,532**	44,275,696
Profit for the period	**(3,269,750)**	18,373,287
Comprehensive income for the period	**(3,269,750)**	18,373,287

The Company has not entered into any guarantees in respect to its controlled entities or associates.

18. PARENT ENTITY INFORMATION (CONT'D)

Capital Commitments
There are no commitments for the acquisition of plant and equipment contracted for at the reporting date.

Finance Leases
There are no commitments in relation to finance leases.

Contingent Liabilities
The parent entity is not subject to any liabilities that are considered contingent upon events known at balance date.

19. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the entity is set out below:

	2015 $	2014 $
Short term employment benefits	**1,423,283**	1,180,738
Post-employment benefits	**28,659**	26,620
Share based payments	**217,000**	-
Termination payment	**-**	777,000
	1,668,942	1,984,358

Refer to the Remuneration Report in the Director's Report for detailed compensation disclosures on key management personnel.

19. RELATED PARTY DISCLOSURES (CONT'D)

(b) Group Companies

NAME OF ENTITY		COUNTRY OF INCORP-ORATION	PRINCIPAL ACTIVITY	EQUITY HOLDINGS 2015 %	EQUITY HOLDINGS 2014 %	PARENT ENTITY INVESTMENT 2015 $	PARENT ENTITY INVESTMENT 2014 $
MarketSmart International Pty Limited		Australia	Loyalty Solutions	**100**	100	**-**	-
OnCard Ltd		Hong Kong	Loyalty Solutions	**100**	100	**-**	-
OnCard (China) HK Ltd		Hong Kong	Investment	**100**	100	**-**	-
OneRewards Ltd		Hong Kong	Rewards	**100**	100	**-**	-
Consolidated Payment Services Limited		Hong Kong	Investment	**100**	100	**-**	-
Payment Services China Limited	**B**	Hong Kong	Investment	**100**	100	**-**	-
OnCard Pte Ltd	**A**	Singapore	Loyalty Solutions	**100**	100	**-**	-
OnCard Consulting Services Shanghai Ltd	**C**	China	Corporate and Payments	**-**	100	**-**	-
Shanghai Yifutong Information Technology Co. Ltd	**C**	China	Dormant	**-**	100	**-**	-
Yin Chang Information Technology Co. Ltd	**C**	China	Loyalty Solutions and Rewards	**-**	100	**-**	-
Beijing All Payments Company Limited	**C**	China	Payment Solutions	**-**	80.2	**-**	-
ACN 605 347 377 Pty Ltd	**D**	Australia	Dairy	**100**	-	**-**	-
TasFoods (VDL) Pty Ltd	**D**	Australia	Investment	**100**	-	**-**	-
						-	-

A. OnCard Pte Ltd is a wholly owned subsidiary of OnCard Limited (HK).
B. Payment Services China Limited is wholly owned by Consolidated Payment Services Limited.
C. Companies de-registered during the year
D. ACN 605 347 377 Pty Ltd and TasFoods (VDL) Pty Ltd are companies incorporated by the parent for the operation of dairy businesses. At 31 December 2015 these companies are not operational.

20. REMUNERATION OF AUDITORS

Remuneration for audit and review of the financial reports of the parent entity or any entity in the Group:

	2015 $	2014 $
Auditors of the parent entity:		
Auditing the financial report (a)	**63,000**	106,344
Non-audit services (b)	**38,865**	32,611
	101,865	138,955
PKF offices (c)		
Auditing the financial report – subsidiary companies	**14,813**	40,498
Non-audit services - subsidiary companies	**-**	-
	116,678	179,453

(a) BDO East Coast Partnership (“BDO”) are the auditors of TasFoods Limited.
(b) It is the Group’s policy to employ BDO on assignments additional to their statutory audit duties where BDO expertise and experience with the Group are important. These assignments relate principally to tax compliance advice.
(c) Audit services provide by PKF (HK) in relation to subsidiary company audits located in Hong Kong, Singapore and audit services provided by PKF Daxin to subsidiary company audits located in China.

21. CAPITAL MANAGEMENT

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year, management elected to pay a dividend of $0.09 (9 cents) per share, and repaid equity to shareholders out of proceeds from the sale of its joint venture interest. As a result, the Company now has a more flexible and manageable capital base, and can use this base to identify and pursue suitable acquisition and investment opportunities.

	2015 $	2014 $
Borrowings	**-**	-
Trade and other payables	**989,639**	745,779
Total debt	**989,639**	745,779
Less cash and cash equivalents	**(2,798,864)**	(55,331,183)
Net debt/(cash)	**(1,809,225)**	(54,585,404)
Total equity	**5,550,504**	57,358,556
Total capital	**6,617,922**	38,515,577
Gearing Ratio (Total debt / Total equity)	**17.8%**	1.3%

The Group is not subject to any externally imposed capital requirements.

22. COMMITMENTS FOR EXPENDITURE

Capital Commitments

There are no commitments for the acquisition of plant and equipment contracted for at the reporting date.

Finance Leases

There are no commitments in relation to finance leases.

	2015 $	2014 $
Operating Leases - Premises		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
- not later than 12 months	31,000	134,000
- between 12 months and 5 years	-	27,000

23. SEGMENT INFORMATION

The Group's business has historically been segmented by the products it provided being Loyalty and Payment Solutions & Rewards and for the current financial year the segment Meander Valley Dairy has been included

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management and that are used to make strategic decisions. The Board considers the Group from both a business unit and geographic perspective and has identified three reportable segments.

The Meander Valley Dairy segment incorporates the Meander Valley Dairy business, the assets of which were acquired during the year.

Corporate includes all costs which are not attributable to the Loyalty Solutions, the Rewards and Payments segments and the Meander Valley Dairy segment.

The Payments & Rewards Australia/NZ segment consists of the MarketSMART loyalty system which provided services to a significant customer which in turn managed customer loyalty programmes. The customer terminated services in June 2015. Management are continuing to explore options to maximise the return to shareholders from this venture.

During the year the Group discontinued operations in the Payment & Rewards China and Asia segments. Accordingly, these are not presented within continuing operating segment results. Details of revenues, expenses, assets and liabilities in relation to these operations during the current and prior year are disclosed in note 7.

23. SEGMENT INFORMATION (CONT'D)

Management measures the performance of the segments identified at the 'net profit before tax' level.

Consolidated - 2015	Meander Valley Dairy $	Payments & Rewards $	Corporate $	Total $
Revenue				
Sales to external customers	789,890	229,500	-	1,019,390
Other revenue	-	-	750,000	750,000
Interest revenue	10	5,813	701,095	706,918
Total revenue	789,900	235,313	1,451,095	2,476,308
Segment profit/(loss)	47,405	133,642	(2,276,269)	(2,095,222)
Loss after tax from discontinued operation				(2,107,322)
Loss before income tax expense				(4,202,544)
Income tax benefit				-
Loss after income tax expense				(4,202,544)
Assets				
Segment assets	3,032,608	95,050	3,549,888	6,677,546
Unallocated assets – discontinued operations:				
Cash and cash equivalents				43,553
Other current assets				5,946
Total assets				6,727,045
Total assets include:				
Goodwill on acquisition of non-current assets	1,879,400	-	-	1,879,400
Liabilities				
Segment liabilities	171,735	(111)	804,702	976,326
Unallocated liabilities – discontinued operations:				
Other payables				200,215
Total liabilities				1,176,541

23. SEGMENT INFORMATION (CONT'D)

Consolidated - 2014	Payments & Rewards $	Corporate $	Total $
Revenue			
Sales to external customers	450,750	-	450,750
Interest revenue	1,837	860,293	862,130
Total revenue	452,587	860,293	1,312,880
Segment profit/(loss)	209,074	(2,596,378)	(2,387,304)
Loss before tax from discontinued operation			21,397,890
Loss before income tax expense			19,010,586
Income tax expense			(7,072,492)
Loss after income tax expense			11,938,094
Assets			
Segment assets	286,977	56,402,592	56,689,569
Unallocated assets – discontinued operations:			
Cash and cash equivalents			1,551,481
Other current assets			358,833
Property plant and equipment			47,286
Total assets			58,647,169
Total assets include:			
Acquisition of intangible assets	-	-	-
Liabilities			
Segment liabilities	25,458	436,524	461,982
Unallocated liabilities – discontinued operations:			
Trade and other payables			583,797
Current tax payable			6,924
Provisions			235,910
Total liabilities			1,288,613

The accounting policies used by the Group in the internal reporting of the segments are the same as those contained in Note 1 to the financial statements.

Geographic Information
All continuing operations are based in Australia. There are no foreign based continuing operations and the revenue is generated in Australia.

Information on major customers
The Meander Valley Dairy segment derives $330,460(41.8%) of its sales from its major customer during the period since acquisition.
All of the income of the Payments and Rewards segment in Australia is derived from one customer.

24. RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES

	2015 $	2014 $
Operating (loss)/profit after income tax:	**(4,202,544)**	11,938,094
Depreciation and amortisation	**25,692**	176,702
Impairment expense	**37,350**	14,865,657
Losses on fair value through profit or loss financial assets	**3,457**	-
Disposal of foreign operations	**768,953**	-
Share based payments	**217,000**	-
Unrealised foreign exchange loss (gains)	**-**	(174,487)
Share of joint venture (profit)	**-**	(1,815,194)
Gain on sale of financial assets (net of withholding tax)	**-**	(32,251,573)
Withholding tax on repatriated profits	**-**	428,363
Change in net operating assets and liabilities:		
(Increase)/decrease in trade receivables	**(1,459,270)**	510,057
Decrease in other assets	**149,819**	206,181
Movement in deferred taxes	**-**	3,098,866
Increase/(decrease) in trade and other payables	**244,216**	(116,282)
(Decrease) in tax liability	**(6,924)**	(64,124)
(Decrease)/Increase in operating provisions	**(99,008)**	413,711
Net cash (outflow) from operating activities	**(4,321,259)**	(2,784,029)

There are no non-cash financing or investing activities.

25. EARNINGS PER SHARE

	2015 CENTS	2014 CENTS
Basic (loss)/earnings per share	**(4.39)**	6.67
Diluted (loss)/ earnings per share	**(4.39)**	6.67
Basic loss per share from continuing operations	(2.19)	(1.35)
Diluted loss per share from continuing operations	(2.19)	(1.35)
Basic (loss)/earnings per share from discontinued operations	(2.20)	8.01
Diluted (loss)/earnings per share from discontinued operations	(2.20)	8.01
	$	$
Net (loss)/profit from continuing operations attributable to the Owners of TasFoods Ltd used in calculation of basic and diluted earnings per share for.		
- All operations	**(4,204,936)**	11,941,933
- Continuing operations	**(2,095,222)**	(2,410,058)
- Discontinued operations	**(2,109,714)**	14,351,991

25. EARNINGS PER SHARE (CONT'D)

	2015	2014
	Number	Number
Basic		
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	**95,864,090**	179,156,525
Diluted		
Weighted average number of ordinary shares and convertible redeemable cumulative preference shares outstanding and performance rights during the period used in the calculation of basic earnings per share	**95,864,090**	179,156,525

Information Concerning the Classification of Securities

(a) Ordinary shares held in escrow:
No ordinary shares were held in escrow during the respective financial periods, or in the period to the date of these financial statements.

(b) Potential ordinary shares:
There were no options or other forms of potential shares on issue at 31 December 2015 (31 December 2014: Nil).

26. SHARE BASED PAYMENTS

TasFoods Limited had established an employee share ownership plan ("ESOP"). The Scheme was designed to provide a long-term incentive for employees and Directors of TasFoods Limited. It allows entitled officers of the Group to participate in TasFoods Limited's future growth and provides them with an incentive to increase profitability and returns to shareholders. Full time employees, part-time employees, directors and contractors of TasFood Limited and controlled entities are eligible to participate in the ESOP.

The entitlement of eligible participants under the ESOP is at the absolute discretion of the Directors. The exercise price of each option offered pursuant to the Scheme is also at the discretion of the Directors. The options hold no voting or dividend rights, and are not transferable.

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

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
4/9/2015	3/9/2019	$0.21	-	10,000,000	-	-	10,000,000
4/9/2015	3/9/2019	$0.42	-	8,500,000	-	-	8,500,000
			-	-	-	-	18,500,000
Weighted average exercise price			-	$0.31	-	-	$0.31

26. SHARE BASED PAYMENTS (CONT'D)

Details of share options held by employees, former employees, consultants and former Directors outstanding as at end of year:

Grant date	Vesting and exercisable date	Expiry date	Share price at grant date	Exercise price	Fair value at grant date
4/9/2015	3/9/2019	3/9/2019	$0.15	$0.021	$0.020
4/9/2015	3/9/2019	3/9/2019	$0.15	$0.042	$0.002

There are no EPS hurdles attached to the options granted

27. BUSINESS COMBINATION

Meander Valley Dairy

On 4 September 2014 the Company announced that it had acquired the business operations of the Meander Valley Dairy branded food products business ("Meander Valley") based in Tasmania for consideration of $2,100,000. The acquisition was completed on 17 September 2015 upon transfer of the share based portion of the purchase consideration. The acquisition is the first in the Company's strategy of building an integrated business based on premium food products primarily sourced from Tasmania. Details of the acquisition were as follows: -

	Note	$
Consideration		
Cash consideration		1,800,000
Issue of 1,666,667 ordinary shares	**16**	300,000
		2,100,000

Acquisition-related costs amounting to $20,000 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year within Legal and professional fees.

	Note	$
Assets acquired		
Property plant and equipment	**12**	220,600
Net tangible assets acquired		220,600
Goodwill	**13**	1,879,400
Purchase consideration		2,100,000

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of revenue growth, future market development and the assembled workforce of the Meander Valley Dairy. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

27. BUSINESS COMBINATION (CONT'D)

Impact of acquisition on the result of the Group

Included in the profit for the year is $47,405 attributable to the additional business generated by Meander Valley Dairy. Revenue for the year includes $789,890.

Had these business combinations been effected at 1 January 2015, the revenue of the Group from continuing operations would have been $1,884,000, and the loss for the year from continuing operations would have been $1,982,000. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group Meander Valley Dairy been acquired at the beginning of the current year, the directors have:

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

28. EVENTS OCCURRING AFTER REPORTING DATE

Issue of shares

On 19 February 2016 the Company issued 22,232,000 ordinary shares at $0.25 (25 cents) per share to the sophisticated investors and investors associated with the Company who took up the shortfall in the Company's share purchase plan offer (due to eligible shareholders not applying for their full entitlement of shares under the offer) and under a placement of new and fully paid ordinary shares in the Company.

Proposed acquisition of Nichols Poultry

On 18 February 2016 the Company announced that it had entered into an option agreement to acquire Nichols Poultry Pty Ltd and associated assets ("Nichols Poultry"). Under the option TasFoods has the right to acquire 100% of the company that owns and operates the poultry processing business and facility and related plant and equipment, an electricity generating wind turbine and approximately 91 hectares of land on which the processing facility and wind turbine are located, together with a farm house, sheds and other improvements. The option to acquire Nichols Poultry expires on 31 May 2016 (but may be extended by the Company up to 30 June 2016 due to delays in the transaction timetable). Once exercised, the acquisition becomes unconditional and must occur within 5 days. At completion the Company will grant a lease of part of the land to the vendor for grazing and cropping for a period of 3 years, and enter into a grower's agreement for him to raise chickens for the Nichols Poultry Business for a period of 3 years.

The acquisition consideration is $12,550,000, subject to adjustments for the amount or value of stock, capital expenditure, accounts receivable, accounts payable, employee entitlements, bank debt and other liabilities of Nichols Poultry at the date of completion. Up to $2,000,000 of the consideration is to be satisfied by the issue of fully paid ordinary shares in the Company to the vendor at an issue price which is the lower of $0.30 (30 cents) and the issue price under a proposed capital raising. TasFoods has paid a $500,000 non-refundable option fee which will be applied to the consideration payable at completion, if the option is exercised.

In addition, the Company has announced that it intends to raise up to $20,000,000 in capital to fund the acquisition and provide the Company with additional working capital. The Capital Raising is subject to shareholder approval.

Completion of the agreement is subject to a number of conditions precedent, including shareholder approval.

28. EVENTS OCCURRING AFTER REPORTING DATE (CONT'D)

Settlement of litigation regarding The Van Diemen's Land Company acquisition

As a consequence of the uncertainty that arose in relation to the proposed capital raising to fund the acquisition of the assets of The Van Diemen's Land Company (**VDL**), the board of directors of TasFoods Limited (**Company**) formed the view that the prospects of obtaining specific performance of the Company's agreement to acquire the VDL assets had diminished. Although the board believed the Company's damages claim against New Plymouth District Council, Tasmanian Land Company Limited (**TLC**) and others for breach of that agreement was sound, the board was conscious that continuing the litigation would have required considerable costs and management time which could be better directed towards pursuing other opportunities for the Company. In the circumstances, the Company agreed on 22 January 2016 to settle the litigation. Under the terms of settlement, the Company received a cash payment of $1,250,000 from TLC in full and final settlement of the matter, made up of $500,000 refund of deposit and $750,000 recovery of costs.

Issue of shares

On 8 March 2016 the Company issued 1,200,000 ordinary shares at $0.25 (25 cents) per share to sophisticated investors to enable further acquisitions and other growth opportunities.

Other

Other than the above the Board are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

29 CONTINGENT LIABILITIES

There are no matters which the Group consider would result in a contingent liability as at the date of this report.

1. In the opinion of the Directors of TasFoods Limited (the "Company"):

   (a) The financial report and the Remuneration Report included in the Directors' Report, designated as audited, of the Group are in accordance with the *Corporations Act 2001*, including:

      i. Giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

      ii. Complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

2. The financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, as described in Note 1(a) to the financial statements; and

3. This declaration has been made after receiving the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 31 December 2015.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the Directors.

Rob Woolley

Rob Woolley
Chairman

31 March 2016
Launceston

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of TasFoods Limited

Report on the Financial Report

We have audited the accompanying financial report of TasFoods Limited, which comprises the consolidated statement of financial position as at 31 December 2015, 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 1(a), 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TasFoods 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 TasFoods 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 31 December 2015 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 14 of the directors' report for the year ended 31 December 2015. 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 TasFoods Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

David Garvey

David Garvey
Partner

Melbourne, 31 March 2016

The shareholder information set out below was applicable as at 17 March 2016.

A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 - 1,000	288	116,600	0.22%
1,001 - 5,000	569	1,721,125	3.23%
5,001 - 10,000	289	2,456,730	4.61%
10,001 - 100,000	586	18,994,270	35.62%
100,001 and over	69	30,041,456	56.33%
TOTAL	**1,801**	**53,330,181**	**100%**

The number of shareholders with less than a marketable parcel is 395.

B. Equity Security Holders

Twenty largest quoted equity security holders.

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

NAME	ORDINARY SHARES NUMBER HELD	% OF ISSUED SHARES
HSBC Custody Nominees	3,541,805	6.64%
Quality Life Pty Ltd<The Neill Family A/C>	2,000,000	3.75%
Elsie Cameron Foundation Pty Ltd <Foundation Account>	1,600,000	3.00%
Bob Wilson <R T Wilson Family A/C>	1,600,000	3.00%
J P Morgan Nominees Australia	1,600,000	3.00%
Mr Darius Isaac	1,402,500	2.63%
Derwent Chief Pty Ltd <Derwent Chief S/F A/C>	1,000,000	1.88%
Andrew Woolley	1,000,000	1.88%
Krisami Investments Pty Ltd	1,000,000	1.88%
True Colour Advertisement Pty Ltd <The Chen Family A/C>	954,250	1.79%
J R Green Pty Ltd	800,000	1.50%
Annells Group Pty Ltd <Superannuation Fund A/C>	800,000	1.50%
Robin Bruce Dornauf + Karen Joan Dornauf	690,667	1.30%
Mr Jason Plehn	600,000	1.13%
Buduva Pty Ltd <Baskerville Superfund A/C>	575,000	1.08%
Mr Andrew Woolley	547,704	1.03%
Mr Ian James Barton	498,000	0.93%
Mr John Hong Ping So	473,250	0.89%
JB Were (NZ) Nominees Limited <50645 A/C>	406,700	0.76%
Rowena House Pty Ltd	400,000	0.75%

As at 17 March 2016, the 20 largest shareholders held ordinary shares representing 40.33% of the issued share capital.

Substantial Shareholders

Substantial holders in the Company are set out below:

NAME	NUMBER OF SHARES HELD	%
HSBC Custody Nominees	3,541,805	6.64%

C. Voting Rights

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

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

D. Use of Cash

Cash and assets readily convertible to cash held by the Company at the time of admission to the Australian Stock Exchange are being used in a way consistent with its business objectives as set out in the listing prospectus.

CORPORATE GOVERNANCE STATEMENT

The Board of TasFoods Limited (the Company) is responsible for the corporate governance of the Company and its subsidiaries (the “Group”). The Board guides and monitors the business and affairs of the Company on behalf of its shareholders.

The table below summarises the Company's compliance with the Third Edition of the ASX Corporate Governance Council's Principles and Recommendations.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

	Corporate Governance Council Recommendation	**Compliance**	**Disclosure**
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complies	The Board of Directors (the Board), together with the Management team, are collectively experienced in the management of listed companies and more particularly the Group’s principal business activities. The Board is responsible for providing strategic guidance and for contributing to the development of the corporate strategy and performance objectives, including: • the implementation of a business strategy; • the annual budget; • monitoring the Company’s financial performance; • meeting its regulatory reporting obligations; • approving and monitoring the progress of existing investments, capital management and acquisitions and disposals of investment assets; and • ensuring that appropriate management processes and procedures are in place to achieve these objectives. The Board appoints the Chairman, Managing Director and Company Secretary. The Board has delegated to the Managing Director the authority to manage and control the day to day affairs of the Group and the implementation of the corporate strategy.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	(a) The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance. (b) This will necessarily include undertaking background and other checks before appointing a person or putting them forward to security holders as a candidate for election as a director, as well as providing all material information relevant to a decision for election as a director. The qualifications, experience and special responsibilities of the Board members are set out in the Company’s Annual Report.

1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The Directors, including the Managing Director, have received a letter agreement setting out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The Board has appointed an experienced Company Secretary who is directly accountable to the Board.
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Does not Comply	The Company is in the process of establishing a Diversity Policy which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives, irrespective of gender, age, ethnicity and cultural background. The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy. The Board will be responsible for monitoring the progress of the measureable objectives through various monitoring, evaluation and reporting mechanisms. (1) As a measurement of gender diversity, the proportion of women employees in the consolidated entity as at the date of this report are as follows: - Women on the Board: 20% - Women in senior executive roles: 0% - Women in management position: 17% - Women in the organisation: 10% (2) The Company is not a relevant employer under the Workplace Gender Equality Act.

1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Does not comply	The performance of Directors will be assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board shall perform an evaluation of the Board's performance at intervals considered appropriate. A performance evaluation was not undertaken during the reporting period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Does not comply	The Managing Director is responsible for evaluating the performance of senior executives against performance indicators established for senior management. The Board is responsible for evaluating the performance of the Managing Director against set criteria. Given her recent appointment to the position of Chief Executive Officer her performance has not been evaluated in the year under review. The Board and its Committees are governed by their respective Charters which are available on the Company's website.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1	The board of a listed entity should: (a) have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of the committee, the members of the committee; and 3. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: **OR** (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Complies	The duties of the Nomination Committee are now carried out by the Board's Remuneration & Nomination Committee comprising all Non-Executive Directors. The Directors meet as required to: ▪ Determine the necessary and desirable competencies of Directors; ▪ Determine the state of Director nominees for election to the Board and to identify and recommend candidates to fill casual vacancies; and ▪ Review Board succession plans ▪ The Remuneration & Nomination Committee met once during the year under review
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Does not comply	The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. While the Company does not have or disclose a formal skills matrix it does consider directors' attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings is included in the Annual Report.

2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Complies	As at the date of this reports the Non-Executive Directors of the Company are: Mr R Woolley, Mr H Robertson, Mr A Robinson. The Executive Directors are: Mr R McBain and Ms J Bennett The names and details of each Director including length of service is contained in the Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Complies	The Board is comprised of five Directors with a majority considered independent. The Chief Executive Officer, who is also the Managing Director and Finance Director are classified as an executive directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies	Mr Robert Woolley as Chairman of the Board is considered independent. Ms Jane Bennett is the Chief Executive Officer
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Does not comply	Due to the Board's relatively small size, the Company has an informal induction process. New directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. Directors receive a formal letter of appointment setting out the key terms and conditions and corporate expectations relevant to that appointment. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Complies	The Company and the Board promotes ethical and responsible decision making and has a code of conduct. This is communicated to management and requires staff to adhere to the core values, together with a number of other key attributes that have been identified as being imperative to the success of the Company.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board; and disclose: 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Complies	The Company has established an Audit Committee which plays a key role in assisting the Board with its responsibilities relating to accounting, developing internal control systems, reporting practices, risk management and ensuring the independence of the Company Auditor. The Charter for this Committee incorporates policies and procedures to ensure an effective focus from an independent perspective. Members of the Committee are: – Mr A Robinson, Committee Chairman, Non-executive Director – Mr H Robertson, Non-executive Director – Mr R Woolley, Non-executive Director and Chairman of the Board The Audit & Risk Committee works within the framework of the Audit Committee Charter adopted by the Board. The Audit Committee includes in its Charter a review of the effectiveness of administrative, operating and accounting controls. Details of the Directors' qualifications and their membership and attendance at Audit Committee meetings are set out in the Directors' Report contained in the Annual Report. A copy of the Audit Committee Charter is available on the Company's website.

4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	Following a recommendation by the Committee to the Board to approve the annual and half year financial accounts, the Managing Director and Chief Financial Officer state in writing to the Board that the Company's Financial Reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions about the conduct of the audit and preparation of the Auditor's Report.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Complies	The Company's Communications Policy is designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by it. The Company is committed to complying with the continuous disclosure obligations contained in the Listing Rules of the Australian Securities Exchange (ASX) and under the Corporations Act, and ensuring that all shareholders and the market have an equal opportunity to obtain and review full and timely information about the Company's securities. Disclosure of such price-sensitive information to the ASX must not be delayed and is disclosed, in the first instance, to the ASX. Material information must not be selectively disclosed (i.e. to analysts, the media or shareholders) prior to being announced to the ASX, and all media releases must be referred to the Chairman or Managing Director for approval prior to any announcement.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's website, which has not yet been updated to reflect the Company's change of name and activities, has dedicated Investors and News sections and endeavours to publish on the website all important Company information and relevant announcements made to the market. It can be found at www.oncard.com.

6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company is committed to: • ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, ASX releases, general meetings and the Company's website; • complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and • encouraging shareholder participation at general meetings.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	The Board encourages full participation of shareholders at the Company's annual general meetings and any general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	The Company's registrar, Advanced Share Registry Services, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at Advanced Share Registry Services.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (6) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Does not comply	The Board of the Company takes a proactive approach to the Group's risk management and internal compliance and control system. This function is monitored by the Audit Committee. The Audit Committee is responsible for ensuring that financial risks and mitigation of these risks are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Committee and the Board. Members of the Committee are: – Mr A Robinson, Committee Chairman, Non-executive Director – Mr H Robertson, Non-executive Director – Mr R Woolley Non-executive Director and Chairman of the Board A summary of attendance is included in the Annual Report. A copy of the Audit Committee Charter is available on the Company's website.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The Company has undertaken a detailed analysis of its current policy on risk oversight and management which has been developed to promote a culture of risk control throughout the Company. The Board reviews the operation of systems of risk management at least annually to ensure that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with at an individual business level.

7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; **OR** (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Does not comply	As a small company, the Company does not have an internal audit function. The Board works closely with the Management Team to identify and manage operational, financial and compliance risks which could prevent the Company and its individual businesses from achieving their objectives and targets.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	A summary of risks including market price, currency, interest rate, credit, liquidity and fair value are included in the Annual Report.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Complies	At the date of this report, the Company has a Nomination & Remuneration Committee which is responsible for determining and reviewing compensation arrangements for the Board, Managing Director and employees. The Nomination & Remuneration Committee is currently comprised of – Mr A Robinson, Committee Chairman, Non-executive Director – Mr H Robertson, Non-executive Director – Mr R Woolley, Non-executive Director and Chairman of the Board Specifically, the Committee will monitor and review: • the remuneration arrangements for the Chairman and sets parameters within which the Chairman will review arrangements for other Directors and the Managing Director; • the remuneration policies, personnel practices and strategies of the Company generally; and • any employee incentive schemes. The Board is responsible for performance evaluation of the members of the Board and key executives against both measurable and qualitative indicators. Details of the Directors' qualifications and their membership and attendance at Nomination & Remuneration Committee meetings are set out in the Directors' Report contained in the Annual Report. A copy of the Nomination & Remuneration Committee Charter is available on the Company's website.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The details of the remuneration paid to Directors and Officers is included in the Remuneration Report section of the Annual Report.

8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complies	The Company does not have such as Scheme.

The Company's corporate governance practices were in place for the financial year ended 31 December 2015 and to the date of signing the Directors'Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to the Company's website: http://www.oncard.com, which has not yet been updated to reflect the Company's change of name and activities.

Board of Directors

Rob Woolley	(Chairman and Non-Executive Director)
Hugh Robertson	(Non-Executive Director)
Roger McBain	(Executive Director Finance)
Antony Robinson	(Non-Executive Director)
Jane Bennett	(Managing Director and CEO)

Company Secretaries
Mark Licciardo
Matthew Rowe

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MELBOURNE VICTORIA 3000 AUSTRALIA

Solicitors
Norton Gledhill
Level 23, 459 Collins Street
MELBOURNE VICTORIA 3000 AUSTRALIA

Bankers
Bendigo Bank

Stock Exchange Listing
TasFoods Limited shares are listed on the Australian Securities Exchange, code TFL.

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