Rewardle Holdings Limited

ACN 168 751 746

Annual Report

30 June 2014

DIRECTORS

Ruwan Weerasooriya – Managing Director
Jack Matthews – Non-executive Chairman
Brandon Munro – Non-executive Director

COMPANY SECRETARY

Ian Hobson

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS

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SHARE REGISTRY

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Suite 1A, Level 1, 7 Ventnor Avenue
West Perth WA 6005

Telephone: +61 8 9324 2099
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AUDITORS

BDO East Coast Partnership
Level 14, 140 William Street,
Melbourne VIC 3001

SOLICTORS

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

BANK

Westpac Banking Corporation Limited

AUSTRALIAN SECURITIES EXCHANGE

ASX Code RXH

Dear Shareholders

Rewardle acts as a commerce based social network, connecting consumers with their favourite places, based on transactions. Put simply, Rewardle has given the traditional “buy 9, get 1 free” paper punch card a digital makeover and extended its utility by adding prepayment , mobile ordering, mobile payments and social media integrations.

Rewardle’s typical clients are your local café, yoga studio, butcher, hairdresser or juice bar. These time poor merchants, with limited operational and marketing support, don’t have access to the digital tools of large retail chains but desperately need them to connect with customers in an increasingly digital and connected world.

During the 2014 financial year, the Rewardle team, led by founder and Managing Director Ruwan Weerasooriya, have developed a national network (by August 2014) of approximately 2,000 Merchants and over 385,000 Members who collectively have Checked-in with Rewardle as part of a transaction more than 4,700,000 times. To date, this has resulted in the Rewardle Platform facilitating over 487,000 reward redemptions ranging from free coffees to head massages, and even tattoos.

In addition, over $520,000 of prepaid credit has been loaded onto the Rewardle Platform which is now starting to be used for mobile payments at local SME Merchants in a manner that disrupts traditional payment practices and banking networks.

Rewardle’s progress to date has established a number of barriers for new entrants, with arguably the most significant being the powerful Network Effects that accompany the growing Merchant and Member Network that the Company is amassing.

Since its incorporation on 25 March 2014, Rewardle Holdings Limited has acquired Rewardle Pty Ltd with the intention of listing on the Australian Stock Exchange. We prepared and lodged a Prospectus to raise $4,000,000 which closed oversubscribed on the 12th September 2014, and expect the Company to list in early October 2014.

This additional capital will enable Rewardle to continue on its mission to provide local SME Merchants with the digital engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and Big Data analysis.

The initial focus for the Company is fostering the Network Effects that are inherent in the business model by initially focusing on Merchant and Member Network growth. On behalf of the Board of Rewardle, I would like to thank you for becoming a Shareholder in the Company and I look forward to an exciting 2015 financial year for Rewardle.

Yours sincerely

Jack Matthews
Chairman

Rewardle Holdings Limited ("Rewardle" or "the Company") is an Australian based company established for the primary purpose of acquiring Rewardle Pty Ltd and raising equity through listing on the Australian Securities Exchange to fund the growth of the Merchant and Member Network.

CORPORATE

During the period and to the date of this report:

i. the Company entered into and completed acquisition of Rewardle Pty Ltd

ii. the Company raised $300,000 through the issue of 2,000,000 ordinary shares at $0.15

iii. the Company raised a further $1,200,000 through issue of 1,200,000 convertible notes and 4,500,000 0.20 options with an expiry date of 30 June 2017. The Company converted the convertible notes into 6,000,000 ordinary shares on 12 September 2014

iv. the Company converted a loan of $2,500,000 into convertible notes and 9,375,000 $0.20 options with an expiry date of 30 June 2017. These convertible notes were also converted into 12,500,000 ordinary shares on 12 September 2014

v. the Company issued 4,000,000 $0.20 options with an expiry date of 30 June 2017, to board members and key executives in lieu of fees

vi. the Company issued 20,000,000 $0.20 performance options (full terms set out in the Replacement Prospectus dated 20 August 2014) to the Managing Director and Staff to assist in retaining staff by providing them the opportunity to own equity in the Company

vii. on 12 September issued 1,500,000 $0.20 options with an expiry date of 30 June 2017 to various parties who assisted in raising the funds as part of the IPO

viii. on 12 September 2014 closed the IPO offer oversubscribed

COMPANY AND BUSINESS MODEL OVERVIEW

The Company

The Company or Group was incorporated on 25 March 2014 for the primary purpose of acquiring Rewardle Pty Ltd and raising equity through listing on the Australian Securities Exchange to fund the growth of the Merchant and Member Network.

Business model

Overview

Rewardle is a Digital Customer Engagement platform for local SME merchants.

Rewardle utilises mobile computing, cloud based software and Big Data analysis to provide local SME merchants with Digital Customer Engagement tools and business intelligence similar to those that are used by large retail brands.

Rewardle has given the traditional "buy 9, get 1 free" paper punch card a digital makeover and extended its utility by adding prepayment, mobile ordering and social media integrations.

Rewardle's membership, points and rewards system is the basis for the Company's growing suite of Digital Customer Engagement tools that are designed to assist local SME merchants to effectively use e-mail, social media and mobile marketing to engage more closely with customers and grow their business.

Rewardle's strategy is to continue to foster the Network Effects that are inherent in the business model by initially focusing on Merchant and Member Network growth.

Key statistics

Rewardle Pty Ltd was founded in September 2011, the first iteration of the Rewardle Platform was released in July 2012 , and on 1 April 2013, the first tablet was deployed within Merchant premises. Since the Company purchased Rewardle Pty Ltd with an effective date of 31 March 2014, the Company has experienced growth as shown in the following table:

Metric	31 March 2014	30 June 2014	31 August 2014
Merchants	1,157	1,587	1,947
Member	208,261	299,544	386,133
Check-ins	2,243,146	3,484,633	4,790,694
Prepaid Credit added	$157,736	$334,301	$520,726
Prepaid Credit used	$102,593	$242,005	$386,374
Prepaid Credit held	$55,143	$92,296	$134,352

Types of Merchants that are customers

Rewardle works with a diverse range of Merchants across a variety of segments including Merchants in the following categories:

Market Sectors			
Bakeries	Bars	Burger shops	Butcher shops
Café	Dry cleaning	Fashion retail	Florists
Grocery stores	Gyms	Hairdressing salons	Ice cream parlors
Juice bars	Pharmacies	Pizza shops	Restaurants
Salad bars	Social groups	Sushi shops	Tattoo studios

Revenue model
Rewardle's management has identified three revenue opportunities that are at various stages of development.

Prioritising the pursuit of each revenue opportunity will be determined by the Board based on ongoing strategic evaluation of the Company's development.

The current focus of the Company is product development and Merchant and Member Network growth to enhance the Company's early mover advantage and the Network Effects inherent of the Rewardle business model.

Currently the Company's only revenue is from those Merchants paying monthly subscription fee for the Company's Merchant marketing services.

a. **Merchant services**

Rewardle provides local SME Merchants with Digital Customer Engagement tools to assist them in using email, social and mobile marketing to grow their business.

These services are provided on a monthly subscription basis which at present, is priced at$49 per month. Rewardle's Merchant services are initially offered on a free trial basis allowing the Company to rapidly build market penetration.

In time the Company envisages converting Merchants from free trails to paying subscribers. Rewardle will continue to develop and enhance its suite of marketing tools which may generate new revenue opportunities.

As at 30 June 2014, 64 Merchants had transitioned into paying subscribers.

At present it has been determined that resources associated with converting trial Merchants to paying Merchants is more valuable when applied to the growth of the Merchant and Member Network which will enhance the early mover advantage and Network Effects inherent in the Rewardle business model.

b. **Brand partnerships**

The Company intends to derive revenue from brands by charging a fee for them to engage with its Merchant and Member Network.

One such approach would be similar to that adopted by loyalty programs such as Qantas Frequent Flyer, Virgin Velocity and Flybuys loyalty programs, that allows for brands to purchase points for distribution to their customer base as incentives.

c. **Payments**

Over recent years, cashless payments have accounted for a growing proportion of payments in Australia. More recently, technology has developed to permit payments to be made via mobile devices such as smartphones.

Rewardle intends to derive fees from payment processing. The Company is investigating a variety of approaches for collecting fees from facilitation of payments between Merchants and Members.

DIRECTORS

The names of the Directors of the Company in office during the financial period and up to the date of this report are as follows:
Ruwan Weerasooriya – Managing Director (Appointed 25/03/2014)
Jack Matthews – Non-executive Chairman (Appointed 26/05/2014)
Brandon Munro – Non-executive Director (Appointed 25/03/2014)
Peter Pawlowitsch – Non-executive Director (Appointed 25/03/2014 – Resigned 25/07/2014)

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

The following persons held the position of Company Secretary during the financial period:
Ian Hobson

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

Ruwan Weerasooriya – Managing Director
Ruwan Weerasooriya is the founder and Managing Director of Rewardle. Over 20 years he has consistently stayed at the forefront of the disruption caused by the advent and proliferation of the Internet. He has established, built and operated a range of technology and media related businesses with multiple successful outcomes including trade sales to ASX listed industry leaders. In 2013 he was named in the Top 50 Australian Startup Influencers by Startupdaily.com.au. He established Rewardle in 2012 to provide Local SME Merchants with the digital customer engagement tools and business intelligence typically only available to large retail chains by unlocking the power of mobile computing, cloud based software and big data analysis.

At the date of this report, Mr Weerasooriya has interests in the following shares and options of the Company:

- 87,500,000 ordinary shares
- 9,375,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017
- 10,000,000 performance options exercisable at $0.20 each and expiring 40 months from listing on the ASX

During the past three years Mr Weerasooriya has held no other listed company directorships.

Jack Matthews – Non-Executive Chairman
Jack Matthews holds a B.A. in Philosophy from The College of William & Mary (Williamsburg, VA) and is a member of the Australian Institute of Company Directors and the New Zealand Institute of Directors.
Jack Matthews brings extensive knowledge of the evolving digital media landscape, strong commercial networks and experience in executing and successfully integrating digital business acquisitions. He has held a number of senior leadership positions within the digital media and subscription television industries in Australia and New Zealand.
Jack played an integral role in the success of Fairfax's digital strategy, first as CEO of Fairfax Digital and most recently as CEO of Fairfax Metropolitan Media.

At the date of this report, Mr Matthews has interests in the following shares and options of the Company:

- 266,667 ordinary shares
- 1,150,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017

During the past three years Mr Matthews has held no other listed company directorships.

Brandon Munro – Non-Executive Director
Brandon Munro holds a Bachelor of Economics and Bachelor of Laws from University of Western Australia, and Graduate Diploma in Applied Finance and Investment from Securities Institute of Australia. He is a Fellow of the Financial Services Institute of Australia (Finsia) and is a Graduate Member of the Australian Institute of Company Directors.

Brandon brings regulatory, governance, mergers and acquisitions and capital markets knowledge to the team. Brandon is the Managing Director of ASX-listed Kunene Resources Ltd.

At the date of this report, Mr Munro has interests in the following shares and options of the Company:

- 783,333 ordinary shares
- 1,300,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017

During the past three years Mr Munro has held the following other listed company directorships:

- Kunene Resources Limited – 4 April 2014 - present

Peter Pawlowitsch – Non-executive Director (resigned 25/7/2014) & Corporate Development
Peter Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practicing Accountants of Australia and also holds a Masters of Business Administration from Curtin University.

These qualifications have underpinned more than ten years' experience in the accounting profession, business management and the evaluation of businesses and mining projects.
At the date of this report, Mr Pawlowitsch, is not a director of the Company, he has interests in the following shares and options of the Company:

- 1,316,667 ordinary shares
- 1,600,000 unlisted options exercisable at $0.20 each and expiring 30 June 2017

During the past three years Mr Pawlowitsch has held the following listed company directorships:

- Ventnor Resources Limited – 12 February 2010 – present
- Crucible Gold Limited – 26 September 2011 – present
- Kunene Resources Limited – 30 January 2012 - present

CORPORATE INFORMATION

Corporate Structure

Rewardle Holdings Limited is a limited liability company that is incorporated and domiciled in Australia. Rewardle Holdings Limited (Group) has prepared a consolidated financial report incorporating the entities that it controlled during the financial period as follows:

Rewardle Holdings Ltd	-	parent entity
Rewardle Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities

The principal continuing activities during the period of entities within the consolidated entity was Digital Customer Engagement platform for local SME merchants.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial period and the results of those operations are contained within the Company review.

Operating Results

Consolidated loss after income tax for the financial period was $1,586,264.

Financial Position

At 30 June 2014, the Group had net liabilities of $2,827,074 with cash reserves of $454,287.

Financing and Investing Activities

The company issued the following securities during the period:

- On formation 1,000,000 ordinary fully paid shares at an issue price of $0.001 per share, raising $1,000;
- 74,500,000 ordinary fully paid shares for the acquisition of Rewardle Pty Ltd;
- 1,466,665 ordinary fully paid shares at an issue price of $0.15 per share raising $232,500;
- 3,000,000 unlisted $0.20 options expiring on 30 June 2017;
- 970,000 convertible notes raising $970,000 with 3,637,500 unlisted $0.20 options expiring on 30 June 2017;
- 2,500,000 convertible note to repay a loan of $2,500,000 with 9,375,000 unlisted $0.20 options expiring on 30 June 2017

Dividends

No dividends were paid during the period and no recommendation is made as to the payment of dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial period are detailed in the company review.

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

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen, since the end of the financial period, which significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the Group in subsequent financial periods, other than as follows or outlined in the company review which is contained in this Annual Report:
The Company closed its initial public offer fully subscribed on the 12 September 2014, with anticipated trading to commence on the Australian Stock Exchange in early October.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to pursue its principal activity of rolling out its Digital Customer Engagement platform for local SME merchants.

MEETINGS OF DIRECTORS

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

	Board of Directors	
	Number eligible to attend	**Number attended**
R Weerasooriya (appointed 25/03/2014)	2	2
P Pawlowitsch (appointed 25/3/14, resigned 25/7/14)	2	2
J Matthews (appointed 26/5/14)	0	0
B Munro (appointed 25/3/14)	2	2

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and key management personnel of Rewardle Holdings Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

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

- Remuneration policy
- Remuneration structure
- Employment contracts of directors and senior executives
- Details of remuneration for period
- Compensation options to key management personnel
- Shares issued to key management personnel on exercise of compensation options
- Voting and comments made at the Company’s last Annual General Meeting
- Loans with key management personnel
- Additional disclosures relating to key management personnel
- Other transactions with key management personnel

RENUMERATION GOVERNANCE

Remuneration Committee

The full Board carries out the roles and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

A. Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in a general meeting, from time to time. However, to align directors' interests with shareholders' interests, the directors are encouraged to hold shares and options in the company.

The Group's aim is to remunerate at a level that reflects the size and nature of the Group. Group officers and directors are remunerated to a level consistent with the size of the Group.

The directors receive a superannuation guarantee contribution required by the government, which is currently 9.5% (9.25% to 30 June 2014), and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Group did not pay any performance-based component of remuneration during the period.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive directors and executive compensation is separate and distinct.

Use of Remuneration Consultants

The Board does not seek the advice of Remuneration Consultants in fulfilling its roles and responsibilities associated with the Remuneration Committee and determining compensation for Directors, the Managing Director and any Key Management Personnel.

Non-executive Director Compensation

Objective

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

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate compensation of $500,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Executive Compensation

Objective

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

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

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. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives

The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTIs) granted to directors/ executives are delivered in the form of options.
LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options on issue during the period vest over a selected period not based on service conditions.

The objective of the granting of options is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTIs are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.
The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

C. Employment contracts of directors and senior executives

The employment arrangements of the directors are not formalised in a contract of employment except as follows:

- Mr Ruwan Weerasooriya who entered into an executive services agreement (Managing Director) on or about 20 July 2014 which commences upon listing on the ASX;
- Mr Peter Pawlowitsch entered into a consultancy services agreement (Corporate Development) on 31 March 2014 which commences upon listing on the ASX; and
- Mr Jason Potter who entered into who entered into an executive services agreement (Chief Technology Officer) on or about 1 July 2014 which commences upon listing on the ASX.

D. Details of remuneration for period

Directors

The following persons were directors of Rewardle Holdings Limited during the financial period:

Ruwan Weerasooriya	Managing Director - Appointed 25 March 2014
Jack Matthews	Non-executive Chairman - Appointed 26 May 2014
Brandon Munro	Non-executive Director - Appointed 25 March 2014
Peter Pawlowitsch	Non-executive Director - Appointed 25 March 2014, resigned 25 July 2014

There were no other persons that fulfilled the role of a key management person during the period, other than those disclosed as Directors.

Remuneration

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

Director	Period	Short Term Benefits	Post-Employment	Share Based Payments	Total	Remuneration consisting of options during the period
		Salary and fees $	Superannuation $	Options $	$	%
R Weerasooriya	2014	-	-	-	-	-
P Pawlowitsch (resigned 25/7/14)	2014	-	-	67,980	67,980	100
J Matthews	2014	-	-	67,980	67,980	100
B Munro	2014	-	-	67,980	67,980	100
Total	2014	-	-	203,940	203,940	100

There were no performance related payments made during the period. Performance hurdles are not attached to remuneration options on issue during the period.

E. Compensation options to key management personnel

The following options were granted as equity compensation benefits to Directors and Executives. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of $0.20 per share on or before 30 June 2017.

Director	Number granted	No. vested during the period	Grant date	Value per option at grant date[1] $	Exercise price $	First exercise date	Last exercise date
P Pawlowitsch	1,000,000	1,000,000	30/04/2014	$0.06798	$0.20	30/04/2014	30/06/2017
J Matthews	1,000,000	1,000,000	13/06/2014	$0.06798	$0.20	13/06/2014	30/06/2017
B Munro	1,000,000	1,000,000	30/04/2014	$0.06798	$0.20	30/04/2014	30/06/2017
Total	3,000,000	3,000,000					

[1] Valuation was done using Black Scholes model

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors on exercise of compensation options during the period.

G. Voting and comments made at the Company's last Annual General Meeting

This is the Company's first Annual Report as such has not held an Annual General Meeting.

H. Loans with key management personnel

There were no loans to key management personnel or their related entities during the financial period.

I. Additional disclosures relating to key management personnel

Shareholdings

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

Director	Balance at Beginning of Period	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Net Change Other #	Balance at End of Period
R Weerasooriya	-	-	-	500,000	74,500,000	75,000,000
P Pawlowitsch (resigned 25/7/14)	-	-	-	516,666	-	516,666
J Matthews	-	-	-	-	-	-
B Munro	-	-	-	383,333	-	383,333
	-	-	-	1,399,999	74,500,000	75,899,999

- Shares issued as part consideration for acquisition of Rewardle Pty Ltd.

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

Director	Balance at Beginning of Period	Received as Remuneration	Options Expired/ Cancelled	Net Change Other ##	Balance at End of Period	Number vested and exercisable
R Weerasooriya	-	-	-	9,375,000	9,375,000	9,375,000
P Pawlowitsch (resigned 25/7/14)	-	1,000,000	-	600,000	1,600,000	1,600,000
J Matthews	-	1,000,000	-	-	1,000,000	1,000,000
B Munro	-	1,000,000	-	300,000	1,300,000	1,300,000
	-	3,000,000	-	10,275,000	13,275,000	13,275,000

- Options received as attachment options to convertible notes issued.

J. Other transactions with Key Management Personnel

During the period, effective 31 March 2014, the Company acquired Rewardle Pty Ltd. Mr Ruwan Weerasooriya, a Director of the Company was sole shareholder and vendor of the issued shares in Rewardle Pty Ltd. Mr Weerasooriya was issued 74,500,000 ordinary fully paid shares in the capital of Rewardle Holdings Limited. A loan totalling $2,515,687 owed to Mr Weerasooriya by Rewardle Pty Ltd was repaid by the Company. $2,500,000 of the loan was repaid through conversion into a convertible note in the Company with the remaining balance payable in cash.

The Company entered into convertible note agreements with its Directors and also with unrelated parties. The convertible notes were issued with a conversion price of 20 cents per share and an interest rate of 12% per annum. Convertible note holders received attaching options expiring 30 June 2017, exercisable at 20 cents each, in lieu of an establishment fee. The attaching options were valued at $0.06798 each using the Black-Scholes option valuation methodology.

Amounts relating to convertible note agreements with the Directors during the period are as follows:

Director	Convertible Note Principal $	Accrued Interest at Period End $	Attaching Options Received No.	Attaching Options Value $
R Weerasooriya	2,500,000	50,959	9,375,000	637,313
P Pawlowitsch	160,000	3,261	600,000	40,788
J Matthews	40,000	237	# 150,000	10,197
B Munro	80,000	1,631	300,000	20,394
	2,780,000	56,088	10,425,000	708,692

- Attaching options issued post 30 June 2014

This is the end of the Audited Remuneration Report.

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and Officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

SHARE OPTIONS

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

- 19,375,000 unlisted options expiring 30 June 2017, exercisable at $0.20 each

During the period the following options were issued:

- 15,675,000 options expiring 30 June 2017, exercisable at $0.20 each

No options were exercised during the period.

Subsequent to period end and up to the date of this report, the options listed below have been issued and none have been exercised and no options have expired.

- 3,700,000 options expiring 30 June 2017, exercisable at $0.20 each
- 20,000,000 Performance options expiring 40 months from listing on the ASX, exercisable at $0.20 each

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

LEGAL PROCEEDINGS

The company was not a party to any legal proceedings during the period.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

ENVIRONMENTAL REGULATIONS

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

AUDITOR

BDO East Coast Partnership continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

There were no amounts paid or payable to the auditor for non-audit services provided during the period by the auditor other than those outlined in Note 4 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 4 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the period ended 30 June 2014, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Signed in accordance with a resolution of directors.

Ruwan Weerasooriya
Managing Director
30 September 2014

Corporate Governance Policy

The Board of Directors of Rewardle Holdings Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Rewardle Holdings Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Rewardle Holdings Limited's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the Australian Securities Exchange Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summarises the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Comply
Principle 1	**Lay solid foundations for management and oversight**	
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	Yes
Principle 2	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	Yes
2.2	The chair should be an independent director.	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.4	The Board should establish a nomination committee.	No Refer 2.4 below
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	Yes
Principle 3	**Promote ethical and responsible decision-making**	
3.1	Establish a code of conduct and disclose the code or a summary as to:	Yes
	• the practices necessary to maintain confidence in the company's integrity;	Yes
	• the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and	Yes
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy.	Yes
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No Refer to 3.3 below
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes
3.5	Provide the information indicated in the Guide to reporting on principle 3.	Yes

Principle #	ASX Corporate Governance Council Recommendations	Comply
Principle 4	**Safeguard integrity in financial reporting**	
4.1	The Board should establish an audit committee.	No Refer to 4.1 below
4.2	The audit committee should be structured so that it:	
	• consists only of non-executive directors;	N/A
	• consists of a majority of independent directors;	N/A
	• is chaired by an independent chair, who is not chair of the Board; and	N/A
	• has at least three members.	N/A
4.3	The audit committee should have a formal charter	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	Yes
Principle 5	**Make timely and balanced disclosure**	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	Yes
Principle 6	**Respect the rights of shareholders**	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	Yes
Principle 7	**Recognise and manage risk**	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes Refer to 7.1 below
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	No Refer to 7.2 below
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	No Refer to 7.3 below
7.4	Provide the information indicated in the Guide to reporting on principle 7.	Yes
Principle 8	**Remunerate fairly and responsibly**	
8.1	The Board should establish a remuneration committee.	No Refer to 8.1 below
8.2	Remuneration Committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director; and • has at least three members.	N/A
8.3	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Provide the information indicated in the Guide to reporting on principle 8.	Yes

2.4 Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

3.3 Workplace Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the company has established a diversity policy which is available on the company's website.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes, review and appointment of Directors. The Board is responsible for developing policies in relation to the achievement of measurable diversity objectives and the extent to which they will be linked to the Key Performance Indicators for the Board, Managing Director and senior executives.

The Company's strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encourage female participation across a range of roles across the Company;
- review and report on the relative proportion of women and men in the workforce at all levels of the Company;
- articulate a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- develop programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

At the date of this report the Company has only three executives. No women are currently represented on the Board.

Due to the current size, nature and scale of the Company's activities the Board has not yet developed objectives regarding gender diversity. As the size and scale of the company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available.

4.1 Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

External Auditors
The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

Non-audit services provided by the auditors during the period are detailed in note 4 to the financial statements.

7.1 Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- Bi-monthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- Regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

7.2 Risk Management

The new management team will be undertaking this requirement in the forthcoming period

7.3 Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, will provide to the Board written certification that in all material respects starting in the 2014/15 financial year (as that is when the Company will be listed on the ASX):

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

8.1 Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the Managing Director, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the Managing Director's performance.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

	Note	Consolidated 2014
Revenue	2(a)	19,939
Depreciation		(188,769)
Directors fees and benefits expense		(203,940)
Employee benefits expense		(401,105)
Finance costs		(458,556)
Other expenses	2(b)	(353,833)
Loss before income tax expense		(1,586,264)
Income tax expense	3	-
Loss after Income Tax for the period		(1,586,264)
Other comprehensive income		-
Other comprehensive income for the period, net of tax		-
Total comprehensive loss attributable to members of the Rewardle Holdings Limited		(1,586,264)
		Cents
Loss per share for the period attributable to the members of Rewardle Holdings Limited	5	(3.22)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	Consolidated 2014 $
ASSETS		
Current Assets		
Cash and cash equivalents	6	454,287
Trade and other receivables	7	34,706
Total Current Assets		488,993
Non-Current Assets		
Trade and other receivables	7	1,463
Plant and equipment	8	-
Total Non-Current Assets		1,463
Total Assets		490,456
LIABILITIES		
Current Liabilities		
Trade and other payables	9	200,949
Provisions	10	49,671
Loans and borrowings	11	3,066,910
Total Current Liabilities		3,317,530
Total Liabilities		3,317,530
Net Liabilities		(2,827,074)
EQUITY		
Issued capital	12	220,101
Reserves	13	1,061,665
Accumulated losses		(4,108,840)
Total Equity		(2,827,074)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Incorporation at 25 March 2014	-	-	-	-
Loss for period	-	(1,586,264)	-	(1,586,264)
Total comprehensive loss for the period	-	(1,586,264)	-	(1,586,264)
Transactions with owners in their capacity as owners:				
Securities issued during the period	11,396,001	-	-	11,396,001
Capital raising costs	-	-	-	-
Cost of share based payments	-	-	1,065,587	1,065,587
Consolidation adjustment on acquisition of Rewardle Pty Ltd (refer note 17):				
Rewardle Holdings Limited	(11,176,000)	4,922	(3,922)	(11,175,000)
Rewardle Pty Ltd	100	(2,527,498)	-	(2,527,398)
Balance at 30 June 2014	220,101	(4,108,840)	1,061,665	(2,827,074)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Note	Consolidated 2014 $
		Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers		10,370
Payments to suppliers and employees		(578,629)
Net cash (used in) operating activities	6(a)	(568,259)
Cash flows from investing activities		
Payment for plant and equipment		(188,507)
Acquisition of cash		7,552
Net cash (used in) investing activities		(180,955)
Cash flows from financing activities		
Proceeds from issue of shares		233,501
Proceeds from borrowings		970,000
Net cash provided by financing activities		1,203,501
Net increase in cash held		454,287
Cash at beginning of the financial period		-
Cash at end of the financial period	6	454,287

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

These consolidated financial statements and notes represent those of Rewardle Holdings Limited and controlled entities (“Group” or “Consolidated Entity”).

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Rewardle Holdings Limited (“Company” or “Parent Entity”) is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Group are described in the Directors Report.

The Company was incorporated on 25 March 2014 with the first accounting period ending 30 June 2014 therefore no comparative information exists.

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

(b) Going concern basis

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the period ended 30 June 2014 the Group incurred a net loss after tax of $1,586,264, net cash outflow from operating activities of $568,259 and net cash outflow from investing activities of $180,955. As of that date, the Group had net current liabilities of $2,828,537.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the replacement prospectus (“Prospectus”) issued by the Company on 20 August 2014 in respect of the initial public offering and proposed listing on the Australian Securities Exchange. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. The Prospectus closed on 12 September 2014 and was oversubscribed. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

1. *Summary of Significant Accounting Policies (Cont.)*

(c) New and amended standards adopted by the Group

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

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

(d) Statement of Compliance

The financial report was authorised for issue on 30September 2014.

The financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Rewardle Holdings Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each period ("Consolidated Entity" or "Group"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(f)).

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

1. Summary of Significant Accounting Policies (Cont.)

(e) Basis of consolidation (Cont.)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(f) Business combinations

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

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

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

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

1. *Summary of Significant Accounting Policies (Cont.)*

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(h) Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

(j) Income Tax

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

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

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

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

1. Summary of Significant Accounting Policies (Cont.)

(j) Income Tax (Cont.)

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

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

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

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

1. *Summary of Significant Accounting Policies (Cont.)*

(k) Other taxes (Cont.)

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

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

(l) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial period-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

1. Summary of Significant Accounting Policies (Cont.)

(m) Impairment of assets

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

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

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

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

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

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

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

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

1. *Summary of Significant Accounting Policies (Cont.)*

(p) Share-based payment transactions

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

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model or the binomial option valuation model.

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

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

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

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

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

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

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

(q) Issued capital

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

1. Summary of Significant Accounting Policies (Cont.)

(r) Segment Reporting

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

(s) 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 period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:
Plant and equipment – over 3 to 5 years.

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

(i) *Impairment*

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

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

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

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

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income.

1. Summary of Significant Accounting Policies (Cont.)

(t) Plant and equipment (Cont.)

(ii*) Derecognition and disposal*

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

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

(u) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term borrowings.

(v) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Interest calculated using the effective interest rate method is accrued over the period it becomes due and increases the carrying amount of the liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent periods. The corresponding interest on convertible notes is expensed to profit or loss.

1. Summary of Significant Accounting Policies (Cont.)

(w) Accounting Estimates and Judgments

In the process of applying the Group's accounting policies, management has made certain judgments or estimations which have an effect on the amounts recognized in the financial statements.

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

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No assets were subject to impairment testing at 30 June 2014.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value using the Black Scholes method.

(iii) Deferred tax balances

Deferred Tax Balances have not been recognised as it is not probable that they can be recovered.

	Consolidated
	2014
	$

2. *Revenue and Expenses*

(a) Revenue

Sales	19,939

(b) Expenses

Audit fees	14,000
Consulting fees	34,544
Doubtful debt expense	7,335
Legal fees	57,062
Merchant and member network costs	108,545
Other	132,347
	353,833

3. *Income Tax*

(a) Income Tax Expense

The income tax expense for the period differs from the prima facie tax as follows:

Loss for period	(1,586,264)
Prima facie income tax (benefit) @ 30%	(475,879)
Tax effect of non-deductible items	195,085
Deferred tax assets not brought to account	280,794
Total income tax expense	-

(b) Deferred Tax Assets

Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in note 1(j) occur:	280,794

There are no franking credits available to the Group.

(c) Deferred Tax Liability

Deferred tax liability	Nil

4. *Auditors' Remuneration*

The auditor of Rewardle Holdings Limited is BDO East Coast Partnership.

Amounts, received or due and receivable by BDO East Coast Partnership for:

- audit or review services	14,000
- other non-audit services	7,500
	21,500

	Consolidated 2014 $
5. *Earnings per Share (EPS)*	
	Cents
Basic earnings per share	(3.22)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:	
Earnings – Net loss for period	(1,586,264)
	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	49,339,455
As the Company is in a loss position there is no diluted EPS calculated	

6. *Cash and Cash Equivalents*

Cash at bank	454,287

Cash at bank earns interest at floating rates based on daily bank deposit rates.

This should be read in conjunction with note 20 on Financial Risk Management

(a) Reconciliation of loss for the period to net cash flows from operating activities:

Loss for the period	(1,586,264)
Non-cash flows in profit	
Depreciation	188,769
Equity settled share based payment	593,277
Amounts set aside to provisions	57,006
Changes in assets and liabilities	
Receivables	23,558
Payables	155,395
Net cash outflows from operating activities	(568,259)

(b) Non-cash financing and investing activities

During the period, the Company acquired all the shares in Rewardle Pty Ltd by issuing 74,500,000 ordinary fully paid shares at 15 cents each to the vendor and agreeing to repay a loan of $2,515,687 on behalf of the vendor. An amount of $2,500,000 of the total loan amount was repaid through conversion into a convertible note in the Company. Refer note 17.

	Consolidated
	2014 $
7. *Trade and Other Receivables*	
Current	
Trade receivables	18,335
Less: Provision for doubtful debt	(7,335)
	11,000
Other receivables	23,706
	34,706

Terms and conditions relating to the above financial instruments:

- Trade and other receivables are non-interest bearing and generally repayable within 30 days.

Non-Current	
Employee loans	1,463

The employee loans are non-interest bearing. No employee loans are past due or impaired.

Refer to risk management note 20

8. *Plant and Equipment*	
Plant and equipment at cost	736,098
Less: Accumulated depreciation	(736,098)
Net carrying amount	-
Reconciliation	
Opening net carrying amount	-
Acquisition of subsidiary	-
Additions	188,769
Depreciation	(188,769)
Closing net carrying amount	-

	Consolidated 2014 $
9. *Trade and Other Payables*	
Current	
Trade payables	105,356
Other payables	74,179
Loan from director	21,414
	200,949

Terms and conditions relating to the above financial instruments:

- Trade and other payables are non-interest bearing and are normally settled on 30 day terms.
- The loan from director is unsecured and non-interest bearing.
- Due to the short term nature of the above financial instruments, their carrying value is assumed to approximate their fair value.
- Amounts are expected to be settled within twelve months, refer to risk management note 20.

10. *Provisions*	
Current	
Employee benefits	49,671

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

11. *Loans and Borrowings*	
Current	
Unsecured – Interest bearing	
Convertible notes	3,066,910

During the period, the Company issued convertible notes with a face value of $3,470,000 (“principal”), a conversion price of 20 cents per share and an interest rate of 12% per annum. The principal amount was converted into shares on 12 September 2014 and the accrued interest payable in cash. The convertible notes also have 12,675,000 attaching options expiring 30 June 2017, exercisable at 20 cents each. The attaching options have been issued in lieu of an establishment fee and reduced the face value of the convertible notes.

	Consolidated
	2014 $

12. *Issued Capital*

(a) Issued and paid up capital	
Ordinary shares - fully paid	220,101

(b) Movement in ordinary shares on issue	**2014 Number**	**2014 $**
Ordinary shares – fully paid		
Balance at beginning of period	-	-
Issued on incorporation for cash – 25 March 2014	1,000,000	1,000
Issued for cash – April 2014	1,466,665	220,001
Issued as part consideration for acquisition of Rewardle Pty Ltd – 30 April 2014	74,500,000	11,175,000
Consolidation adjustment on acquisition of Rewardle Pty Ltd (note 17):		
- Rewardle Holdings Ltd	-	(11,176,000)
- Rewardle Pty Ltd	-	100
Balance at end of period	76,966,665	220,101

(c) Share options

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

- 15,675,000 options expiring 30 June 2017, exercisable at 20 cents each

(d) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Refer to capital risk management note 20.

	Consolidated 2014 $
13. *Reserves*	
Option issue reserve	1,065,587
Acquisition reserve	(3,922)
	1,061,665

Option issue reserve

(i) Nature and purpose of reserve

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

(ii) *Movements in reserve*

Balance at beginning of period	-
Issue of incentive based share options – service options	203,940
Options issued as establishment fee on convertible notes – attaching options	861,647
Balance at end of period	1,065,587

Acquisition reserve

(i) Nature and purpose of reserve

As part of the acquisition of Rewardle Pty Ltd (refer note 17), the equity balances of the Consolidated Entity would be that of the operating entity, Rewardle Pty Ltd (deemed to be the "acquirer" for accounting purposes). The resulting difference between the equity balances of Rewardle Holdings Limited and that of Rewardle Pty Ltd is recognised in the acquisition reserve.

(ii) *Movements in reserve*

Balance at beginning of period	-
Pre-acquisition issued capital of Rewardle Holdings Limited	1,000
Pre-acquisition accumulated losses of Rewardle Holdings Ltd	(4,922)
Balance at end of period	(3,922)

	Consolidated
	2014 $
14. *Commitments*	
Operating lease commitments	
Non-cancellable operating leases contracted for but not recognised in the financial statements:	
Payable – minimum lease payments	
- Not later than one year	34,100
- After one year but not more than five years	-
	34,100

The premises lease for the Company's principal place of business commenced on 1 July 2014 for an initial term of one year, with two further option terms of one year each. Ruwan Weerasooriya, a Director of the Company, is the lessor under the lease. Rental for the first year is $24,750 plus outgoings of approximately $9,350. On each anniversary of the lease commencement date, the rent will be increased in accordance with the consumer price index.

15. *Contingent Liabilities*

The Group has no material contingent liabilities as at the date of this report.

16. *Financial Reporting by Segments*

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

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that the Group has only operated in one segment, being operating as a Digital Customer Engagement platform for local SME merchants.

Where applicable, corporate costs, finance costs, and interest revenue are not allocated to segments as they are not considered part of the core operations of the segments and are managed on a Group basis.

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the project is located.

Revenues were not derived from a single external customer.

17. *Acquisition of Rewardle Pty Ltd*

Effective 31 March 2014, the Company acquired 100% of the issued shares of Rewardle Pty Ltd by issuing 74,500,000 shares to the vendor, the vendor being Mr Ruwan Weerasooriya, a Director of the Company. As part of the consideration, the Company repaid a loan totalling $2,515,687 owed to the vendor by Rewardle Pty Ltd. $2,500,000 of the loan was repaid through conversion into a convertible note in the Company with the remaining balance to be paid in cash.

The consideration paid gives the vendor a controlling interest in the Company following the acquisition, equating to a controlling interest in the Consolidated Entity. Rewardle Pty Ltd has thus been deemed the acquirer for accounting purposes as it owns 98.68% (74,500,000 / 75,500,000 shares) of the Consolidated Entity following the acquisition. The acquisition of Rewardle Pty Ltd by Rewardle Holdings Limited is not deemed to be a business combination, as Rewardle Holdings Limited is not considered to be a business under *AASB 3 Business Combinations*.

As such, the consolidation of these two companies is on the basis of the continuation of Rewardle Pty Ltd with no fair value adjustments, whereby Rewardle Pty Ltd is deemed to be the accounting parent. Therefore, the pre-acquisition equity balances of Rewardle Holdings Limited (totalling $1,000 of issued capital and $4,922 of accumulated losses) are eliminated against the reserves on consolidation.

18. *Related Party Transactions*

(a) Subsidiaries

The consolidated financial statements include the financial statements of Rewardle Holdings Limited and the subsidiaries listed in the following table:

	County of Incorporation	Class of Shares	% Equity Interest 2014
Rewardle Pty Ltd	Australia	Ordinary	100%

(b) Parent entity

Rewardle Holdings Limited is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the period ended 30 June 2014.

18. *Related Party Transactions (Continued)*

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

	Consolidated 2014 $
Short-term benefits	-
Post-employment benefits	-
Share-based payments	203,940
	203,940

(d) Other transactions with Key Management Personnel

During the period, effective 31 March 2014, the Company acquired Rewardle Pty Ltd. Mr Ruwan Weerasooriya, a Director of the Company was sole shareholder and vendor of the issued shares in Rewardle Pty Ltd. Mr Weerasooriya was issued 74,500,000 ordinary fully paid shares in the capital of Rewardle Holdings Limited. A loan totalling $2,515,687 owed to Mr Weerasooriya by Rewardle Pty Ltd was repaid by the Company. $2,500,000 of the loan was repaid through conversion into a convertible note in the Company with the remaining balance payable in cash.

The Company entered into convertible note agreements with its Directors and also with unrelated parties. The convertible notes were issued with a conversion price of 20 cents per share and an interest rate of 12% per annum. Convertible note holders received attaching options expiring 30 June 2017, exercisable at 20 cents each, in lieu of an establishment fee. The attaching options were valued at $0.06798 each using the Black-Scholes option valuation methodology.

Amounts relating to convertible note agreements with the Directors during the period are as follows:

Director	Convertible Note Principal $	Accrued Interest at Period End $	Attaching Options Received No.	Attaching Options Value $
R Weerasooriya	2,500,000	50,959	9,375,000	637,313
P Pawlowitsch	160,000	3,261	600,000	40,788
J Matthews	40,000	237	# 150,000	10,197
B Munro	80,000	1,631	300,000	20,394
	2,780,000	56,088	10,425,000	708,692

- Attaching options were issued after 30 June 2014

19. *Parent Entity Disclosures*

(a) Summary financial information

Financial Position

	Parent 2014 $
Assets	
Current Assets	438,696
Non-current asset	-
Total assets	438,696
Liabilities	
Current Liabilities	3,135,915
Total liabilities	3,135,915
Equity	
Issued capital	11,396,001
Reserves	1,065,587
Accumulated losses	(15,158,807)
Total equity	(2,697,219)

Financial Performance

	Parent 2014 $
Loss for the period	(15,158,807)
Other comprehensive income	-
Total comprehensive loss	(15,158,807)

(b) Guarantees

Rewardle Holdings Limited has not entered into any guarantees in relation to the debts of its subsidiary.

(c) Other Commitments and Contingencies

Rewardle Holdings Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in note 15.

20. *Financial Risk Management*

The Consolidated Entity's principal financial instruments comprise receivables, payables, loans and cash. The Consolidated Entity manages its exposure to key financial risks in accordance with the Consolidated Entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated Entity's financial targets while protecting future financial security.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity does not speculate in the trading of derivative instruments. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables 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 below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

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

Risk Exposures and Responses

Interest rate risk

The Consolidated Entity's exposure to risks of changes in market interest rates relates primarily to the Consolidated Entity's cash balances. The Consolidated Entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

As at reporting date, the Consolidated Entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated
	2014 **$**
Financial Assets	
Cash and cash equivalents (interest-bearing accounts)	454,287
Net exposure	454,287

20. *Financial Risk Management (Continued)*

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At period end, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Consolidated Entity would have been affected as follows:

	Consolidated
	2014 **$**
Judgements of reasonably possible movements:	
Post tax profit – higher / (lower)	
+ 0.5%	2,726
- 0.5%	(2,726)
Equity – higher / (lower)	
+ 0.5%	2,726
- 0.5%	(2,726)

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other available credit lines.

The Consolidated Entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise deposits with banks and trade and other receivables. The Consolidated entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets.

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

The Consolidated Entity trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Consolidated Entity's policy to secure its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity does not have a significant exposure to bad debts.

The Consolidated Entity's cash deposits are held with a major Australian banking institution with a credit rating of AA- otherwise, there are no significant concentrations of credit risk within the Consolidated entity.

20. *Financial Risk Management (Continued)*

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2014					
Financial Assets:					
Non-interest bearing	-	34,706	-	-	1,463
Variable interest rate	2.35	454,287	-	-	-
Fixed interest rate	-	-	-	-	-
		488,993	-	-	1,463
Financial Liabilities:					
Non-interest bearing	-	200,949	-	-	-
Fixed interest rate	-	3,066,910	-	-	-
		3,267,859	-	-	-

Capital Management Risk
Management controls the capital of the Consolidated Entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

The Group has no external loan debt facilities other than trade payables.

Commodity Price and Foreign Currency Risk
The Consolidated Entity's exposure to price and currency risk is minimal.

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

	Consolidated 2014 $
21. *Share Based Payments*	
(a) Value of share based payments in the financial statements	
Share based payments expensed - directors fees and benefits expense	203,940
Share based payments expensed – finance costs	389,337
	593,277

(b) Summary of share-based payments

No shares were issued as share based payments during the period.

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

Grant Date	Expiry Date	Exercise Price	Balance at beginning of period	Granted during the period	Exercised during the period	Expired or Cancelled	Balance at end of period	Number vested and exercisable
30/04/14	30/07/14	$0.20	-	15,675,000	-	-	15,675,000	15,675,000
			-	15,675,000	-	-	15,675,000	15,675,000
Weighted average exercise price			-	$0.20	-	-	$0.20	$0.20

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

Grant date	30/04/2014
Dividend yield (%)	-
Expected volatility (%)	75%
Risk-free interest rate (%)	2.95%
Expected life of options (years)	3.17
Underlying share price ($)	$0.15
Option exercise price ($)	$0.20
Value of option ($)	$0.06798

21. *Share Based Payments (Continued)*

(c) Weighted average remaining contractual life

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2014 was 3 years.

(d) Weighted average fair value

The weighted average fair value of share-based payment options granted during the period was $0.06798 each.

22. *Events Subsequent to Period End*

There are no other matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the Group other than:

The Company closed its initial public offer fully subscribed on the 12 September 2014, with anticipated trading to commence on the Australian Stock Exchange in early October.

23. *New Accounting Standards for Application in Future Periods*

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

Reference	Title	Summary	Impact on Group's financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 AAB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	The Group has considered these standards and determined that there is no impact on the Groups financial statements.	1 July 2017
IFRS 15 (issued June 2014)	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	1 July 2017

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, and:

   (i) comply with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) give a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance for the financial period ended on that date.

2. The Chief Executive Officer and Chief Financial Officer equivalents of the Company declare that:

   (i) the financial records of the Company for the period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (ii) the financial statements and notes for the period comply with the accounting standards; and

   (iii) the financial statements and notes for the period give a true and fair view.

3. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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

Ruwan Weerasooriya
Managing Director

30 September 2014

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INDEPENDENT AUDITOR'S REPORT

To the members of Rewardle Holdings Limited

Report on the Financial Report

We have audited the accompanying financial report of Rewardle Holdings Limited, which comprises the statements of financial position as at 30 June 2014, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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

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has been given to the directors of Rewardle Holdings 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 Rewardle Holdings Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2014 and of their performance for the period ended on that date; and

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

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

BDO East Coast Partnership

BDO

Simon Scalzo

Partner

Melbourne, 30 September 2014

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DECLARATION OF INDEPENDENCE BY SIMON SCALZO TO THE DIRECTORS OF REWARDLE HOLDINGS LIMITED

As lead auditor of Rewardle Holdings Limited for the period ended 30 June 2014, 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 Rewardle Holdings Limited and the entities it controlled during the period.

Simon Scalzo
Partner

BDO East Coast Partnership

Melbourne, 30 September 2014

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

HOLDINGS AS AT 29 SEPTEMBER 2014

Number of Securities Held	FULLY PAID SHARES	
	No. of Holders	No. of Shares
1 to 1,000	0	0
1,001 to 5,000	4	12,501
5,001 to 10,000	211	2,097,501
10,001 to 100,000	212	7,045,810
100,001 and over	50	106,844,188
Total Number of Holders	477	116,000,000
Number of holders of less than a marketable parcel	1	1667
Percentage of the 20 largest holders		87.77

Substantial Shareholders

The company has been notified of the following substantial shareholdings:

Holder	No. of Shares	%
Ruwan Weerasooriya	87,500,000	75.43

Voting Rights

The Constitution of the company makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

20 Largest Holders of Securities as at 29 September 2014:

Fully Paid Ordinary Shares		Number	%
1.	RUWAN WEERASOORIYA	74,500,000	64.22
2.	MARMALADE HOLDINGS PTY LTD	12,500,000	10.78
3.	NATIONAL NOMINEES LTD	3,577,409	3.08
4.	WILLOWDALE HOLDINGS PTY LTD	1,675,000	1.44
5.	J P MORGAN NOMINEES AUSTRALIA LTD	1,422,591	1.23
6.	RPM SUPER PTY LTD<RPM SUPER FUND A/C>	1,000,000	0.86
7.	ROBERT PAUL MARTIN & SUSAN PAMELA MARTIN<RP & SP MARTIN S/F	1,000,000	0.86
8.	VAULT (WA) PTY LTD <VAULT A/C>	800,000	0.69
9.	GOLDBONDSUPER PTY LTD <GOLDBONDSUPER FUND A/C>	800,000	0.69
10.	CLAIRAULT INVESTMENTS PTY LTD	540,000	0.47
11.	MARMALADE HOLDINGS PTY LTD<MARMALADE A/C>	500,000	0.43
12.	GOLDFIRE ENTERPRISES PTY LTD	500,000	0.43
13.	FATTY HOLDINGS PTY LTD <COLEMAN FAMILY A/C>	500,000	0.43
14.	MR CRAIG EVAN COLEMAN	500,000	0.43
15.	SEQUOI NOMINEES PTY LTD<THE SEQUOI A/C>	400,000	0.34
16.	DALEGLAN HOLDINGS PTY LTD<THE CULBERT SUPER FUND A/C>	400,000	0.34
17.	MR TIMOTHY JAMES DAY	375,000	0.32
18.	WILLOWDALE HOLDINGS PTY LTD	330,000	0.28
19.	HAVEN SUPER PTY LTD<HAVEN SUPERANNUATION FUND A/C>	250,000	0.22
20.	NAMIB NOMINEES PTY LTD<NAMIB SUPER FUND A/C>	250,000	0.22
		101,820,000	87.76

UnListed Options		Number	%
1.	MARMALADE HOLDINGS PTY LTD<MARMALADE A/C>	9,375,000	48.39
2.	SEQUOI NOMINEES PTY LTD<THE SEQUOI A/C>	1,000,000	5.16
3.	JACK MATTHEWS	1,000,000	5.16
4.	JASON POTTER	1,000,000	5.16
5.	VAULT (WA) PTY LTD<VAULT A/C>	1,000,000	5.16
6.	ROBERT PAUL MARTIN &SUSAN PAMELA MARTIN<RP & SP MARTIN S/F A/C>	750,000	3.87
7.	RPM SUPER PTY LTD<RPM SUPER FUND A/C>	750,000	3.87
8.	GOLDBONDSUPER PTY LTD<GOLDBONDSUPER FUND A/C>	600,000	3.10
9.	VAULT (WA) PTY LTD<VAULT A/C>	600,000	3.10
10.	NIGHTFALL PTY LTD<NIGHTFALL SUPER FUND A/C>	525,000	2.71
11.	PAUL EDRIC O'HANLON	500,000	2.58
12.	CLAIRAULT INVESTMENTS PTY LTD	405,000	2.09
13.	DALEGIAN HOLDINGS PTY LTD<THE CULBERT SUPER FUND A/C>	300,000	1.55
14.	SEQUOI NOMINEES PTY LTD<THE SEQUOI A/C>	300,000	1.55
15.	JENNIFER CORAL LYONS	250,000	1.29
16.	WILLOWDALE HOLDINGS PTY LTD	247,500	1.28
17.	DJ CARMICHAEL PTY LTD	225,000	1.16
18.	JACK MATTHEWS	150,000	0.77
19.	IBT HOLDINGS PTY LTD<IBT HOLDINGS P/L FAM A/C>	150,000	0.77
20.	TEGAR PTY LTD<HEALY FAMILY A/C>	60,000	0.31
		19,187,500	99.03

Performance Options

Details of performance option holders are as follows:

	Performance Options	Number	%
1.	RUWAN WEERASOORIYA	10,000,000	50.00
2.	JASON POTTER	4,140,000	20.70
3.	JOEL VAN VEEN	1,250,000	6.25
4.	EBERTO LOPEZ	400,000	2.00
5.	ALEX COUCOUVINIS	400,000	2.00
6.	PATRICK BYRNE	325,000	1.63
7.	TIM HILL	325,000	1.63
8.	ANDREW FANTASIA	325,000	1.63
9.	JASON LOUEY	325,000	1.63
10.	RACHEL SALMON	250,000	1.25
11.	SEBASTIAN PESENTI	250,000	1.25
12.	MONIQUE IVEY	250,000	1.25
13.	JAMES PERRY	250,000	1.25
14.	TOM LEIS	175,000	0.88
15.	ELSA HUNT	175,000	0.88
16.	AMELIA XIA	150,000	0.75
17.	SAM SHACKLETON	150,000	0.75
18.	TANIA GOODE	75,000	0.38
19.	MANOURI PEIRIS	75,000	0.38
20.	NICK MOON	60,000	0.30
		19,350,000	96.79

Restricted Securities

The company has the following restricted securities on issue as at the date of this report:

Security Name	Holdings
ORD FP SHARES – ESCROWED UNTIL 3/04/15	233,334
ORD FP SHARES – ESCROWED 24 MONTHS FROM LISTING	75,664,168
ORD FP SHARES – ESCROWED UNTIL 14/04/15	33,333
ORD FP SHARES – ESCROWED UNTIL 7/07/15	7,501
ORD FP SHARES – ESCROWED UNTIL 25/07/15	61,667
UNLISTED OPTIONS – ESCROWED24 MONTHS FROM LISTING	15,352,500
UNLISTED PERFORMAND OPTIONS – ESC 24 MONTHS	10,000,000
UNLISTED OPTIONS – ESCROWED UNTIL 30/04/15	2,400,000
UNLISTED OPTIONS - ESCROWED UNTIL 7/07/15	67,500
UNLISTED OPTIONS - ESCROWED UNTIL 25/07/15	555,000

On-market Buy-back

Currently there is no on-market buy-back of the Company’s securities.

Consistency with business objectives

The company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way consistent with its stated business objectives.