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ASX RELEASE **13 SEPTEMBER 2016**

AUDITED FINANCIAL STATEMENTS: YEAR ENDED 30 JUNE 2016

HIGHLIGHTS

- **As previously reported, Tech Mpire achieved:**
  - **revenue of $32.1 million for the 2016 financial year (FY15 $11.8 million)**
  - **a $0.9 million profit before tax and a non-cash expense of $4.2 million relating to the issue of performance shares (non-recurring in FY17)**
- **A gross profit margin of 23% was achieved for FY16 up from 17% on the previous year**
- **Tech Mpire aims to continue to grow revenue in FY17 while maintaining relatively low costs through further advancement of its technology**
- **The Company retains a strong balance sheet with $10 million in cash and net receivables. The Company begins FY17 with significant funding in place to continue pursuing its strategic business growth objectives**

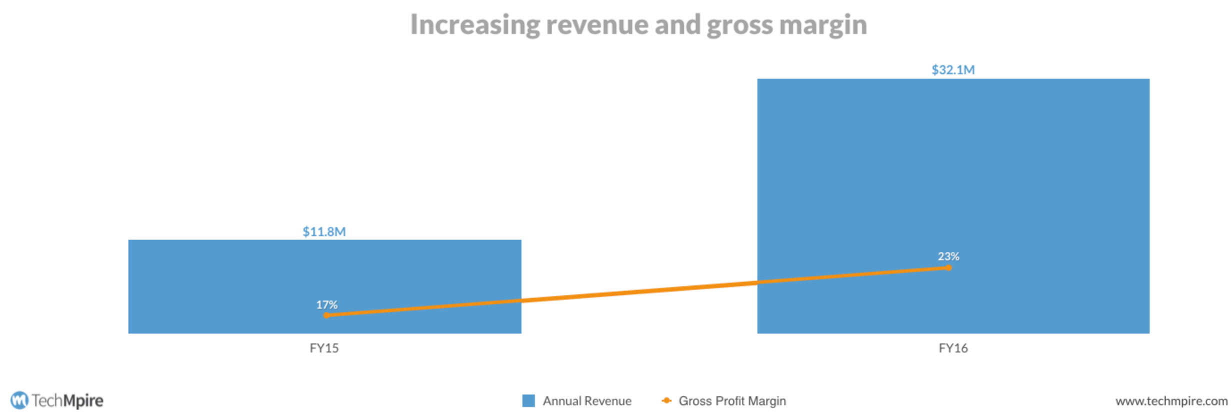
Tech Mpire Limited (ASX: TMP) (**Tech Mpire** or **Company**) is pleased to present its audited financial statements for the 2016 financial year (**FY16**).

SNAPSHOT OF PROFIT AND LOSS	FY16		FY15	
	$		$	
Revenue	**32,123,476**		**11,849,518**	
Cost of services rendered	(24,895,438)		(9,890,720)	
Gross profit (*gross profit margin*)	**7,228,038**	***22.5%***	**1,958,798**	***16.5%***
Other income	359,585		151,555	
Overheads *(FY16 includes non-recurring expenditure of $235k)*	(6,695,194)		(3,910,285)	
	892,429		**(1,799,932)**	
Other expenses *(FY16 includes a share based payments expense of $4.2million)*	(4,280,938)		(8,473,365)	
Loss before income tax	**(3,388,509)**		**(10,273,297)**	

Tech Mpire's audited financial statements reflect the reclassification of certain expenses advised in the Preliminary Financial Report so as to ensure reporting between full year and half year periods is comparable.

Tech Mpire achieved 171% growth in revenue to reach $32.1 million for the year. The Company maintained a strong gross profit margin of 23%, demonstrating its ability to scale with the significant increase in demand experienced throughout FY16.

In FY17, the Company endeavours to grow revenue while leveraging technology to increase both the scalability of network operations and the profit margin. This will be achieved through a technology strategy that continues to focus on the development and implementation of automation.



Tech Mpire made a profit of $0.9 million before tax and before a non-cash expense of $4.2 million relating to the issue of performance shares. The Class A and B performance rights have been fully expensed in FY16. In addition to the share-based payments, the Company incurred expenditure totaling $235k that it also considers to be non-recurring. This expenditure comprised interest of $41k relating to a legacy income tax liability (settled in full in FY16), and the write-off of a historic loan of $194k extended to a company initially targeted for acquisition by Tech Mpire, that has since ceased trading.

SNAPSHOT OF FINANCIAL POSITION	FY16	FY15
	$	$
Current Assets	10,130,088	10,450,899
Non-Current Assets	216,690	104,947
Total Assets	**10,346,778**	**10,555,846**
Current Liabilities	2,235,943	3,367,528
Non-Current Liabilities	75,294	63,837
Total Liabilities	**2,311,237**	**3,431,365**
Net Assets	**8,035,541**	**7,124,481**

Tech Mpire retains a strong balance sheet with $10 million in cash and current receivables, and remains in a robust financial position to continue to pursue strategic growth opportunities in FY17.

Tech Mpire's Managing Director, Mr Luke Taylor commented:

"The attached audited financial statements reflect an exceptional first year as a public company for Tech Mpire. Significant increases in the Company's annual revenue and gross margin are indicative of a business able to scale and flourish with the growing demand for its services. In FY17, we look forward to building on the momentum of the past 12 months to continue to deliver results against our growth strategy."

-Ends-

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TECH MPIRE LIMITED

ABN 88 156 377 141

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016

CORPORATE DIRECTORY

Directors

Non-Executive Chairman	Mr Stephen Belben
Managing Director	Mr Luke Taylor
Non-Executive Director	Mr Patrick O'Connor

Company Secretaries

Ms Fiona Muir

Ms Clare Madelin

Principal and Registered Office

Suite 10, 16 Brodie Hall Drive
Bentley WA 6102

Telephone: 9473 2500
Facsimile: 9473 2501

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Securities Exchange Listing

Tech Mpire Limited shares are listed on the Australian Securities Exchange (ASX: TMP)

Solicitors

Steinepreis Paganin
Level 4, The Read Building
16 Milligan Street
Perth WA 6000

Bankers

Commonwealth Bank of Australia Limited
150 St Georges Terrace
Perth WA 6000

Auditors

Ernst & Young
The EY Building
11 Mounts Bay Road
Perth WA 6000

CONTENTS

The directors present their report together with the financial report of Tech Mpire Limited (**Tech Mpire** or **Company**) and its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2016 and the independent auditor's report thereon.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless stated otherwise.

Mr Stephen Belben
Non-Executive Chairman
Appointed on 29 February 2016

Mr Belben has 17 years' experience in both executive and non-executive director roles, at a number of public and private companies. This experience follows 9 years as a senior partner at Ernst & Young, specialising in corporate and assurance work in Western Australia. Whilst at Ernst & Young, Mr Belben was appointed the national partner in charge of the firm's Minerals and Energy Industry Group responsible for the development of a major client base in that sector in Australia.

During the last three years, Mr Belben served as a director of Xceed Resources Limited (removed from the official list on 26 February 2014 following the completion of a merger by scheme of arrangement with a JSE listed company).

Mr Belben is a Chartered Accountant and holds a Bachelor of Accounting degree and a Bachelor of Commerce Honours degree.

Mr Luke Taylor
Managing Director

Mr Taylor has over 12 years of experience in digital marketing, internet and mobile technology businesses. Mr Taylor's experience includes developing and managing the technological and creative aspects of start-up businesses, managing multifunctional teams both directly and remotely, and overseeing international expansion.

During the last three years, Mr Taylor has not been a director of any other listed companies.

Mr Taylor holds a Diploma of Computer Animation & Graphics, Diploma of Screen (Digital Film) and a Certificate III Multimedia Production.

Mr Patrick O'Connor
Non-Executive Director
Appointed on 26 July 2016

Mr O'Connor has almost 30 years' experience in both executive and non-executive director roles, spanning a variety of industries. Mr O'Connor has been instrumental in the development, implementation and monitoring of effective business strategies at a number of public, private and government owned organisations.

He has extensive leadership skills and wide experience in communicating with capital markets, shareholders and media.

During the last three years Mr O'Connor has served as a director of the following listed companies:

- Stanmore Coal Limited (currently holds the position of non-executive director)
- Optiscan Imaging Limited (resigned on 12 April 2016)
- Buccaneer Energy Limited (resigned on 13 March 2015 and removed from the official list on 31 August 2015)
- TFS Corporation Limited (resigned on 15 December 2014)
- Xceed Resources Limited (removed from the official list on 26 February 2014 following the completion of a merger by scheme of arrangement)
- Perilya Limited (removed from the official list on 19 December 2013 following the completion of a merger by scheme of arrangement)

Mr O'Connor holds a Bachelor of Commerce degree, has completed the Stanford University Executive Program and is a Fellow of the Australian Institute of Company Directors.

Mr Zhenya Tsvetnenko
Non-Executive Director
Resigned on 25 July 2016

Mr Tsvetnenko has over 8 years' experience in internet marketing. Mr Tsvetnenko was awarded the prestigious Ernst & Young, Entrepreneur of the Year (young category) in 2010 and the Western Australian Business News 40 under 40 in 2011.

During the last three years, Mr Tsvetnenko has been a director of DigitalX Limited (resigned on 25 July 2016).

Mr Darren Wates
Non-Executive Chairman
Resigned on 29 February 2016

Mr Wates was a founding director of the Company and is a corporate lawyer with over 15 years' experience in equity capital markets, mergers and acquisitions, project acquisitions/divestments and corporate governance gained through private practice and in-house roles in Western Australia.

During the last three years, Mr Wates has not been a director of any other listed companies.

Mr Wates holds a Bachelor of Laws degree, Bachelor of Commerce degree and a Graduate Diploma in Applied Finance and Investment.

INTERESTS IN THE SECURITIES OF THE COMPANY AND RELATED BODIES CORPORATE

As at 30 June 2016 and as of the date of this report, the interests of the directors in the securities of the Company were as follows:

	Ordinary shares[1]	Class B Performance Rights[1]
S. Belben	-	-
L. Taylor	1,300,000	1,950,000
Z. Tsvetnenko (resigned on 25 July 2016)	9,900,000	3,600,000
P. O'Connor (appointed on 26 July 2016)	-	-

[1] Escrowed until 7 July 2017

Details of the vesting condition and milestone date attached to the Class B Performance Rights are set out below:

Vesting Condition	Milestone Date
Upon the **Livelynk Group** achieving cumulative net profit before tax of at least A$1,500,000 during the period from **Completion** until the date that is 24 months after **Completion**.	On or before the date that is 24 months after **Completion** (Class B Milestone Date)

Livelynk Group comprises Livelynk group Pty Ltd, Mpire Media Pty Ltd and Mpire Network Inc.
Completion occurred on 29 June 2015

COMPANY SECRETARY

The position of company secretary is held jointly by Ms Fiona Muir and Ms Clare Madelin.

Ms Muir holds a Bachelor of Commerce Honours degree and has been a Chartered Accountant for over 15 years. Ms Muir went on maternity leave in January 2016.

Ms Madelin was appointed as joint Company Secretary on 19 January 2016 and is a Chartered Accountant with over 25 years' experience.

DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

PRINCIPAL ACTIVITIES

The Group leverages its global network of online media partners to enable brands to advertise to their target audiences online. This service is provided on a performance basis where the Group only charges clients if a predefined result is achieved (referred to as a "conversion"). Conversions are measurable goals such as subscription for a service, sale of a product, installation of software and mobile apps, registration of a customer, or some other quantifiable target.

The Group also develops nxus®, the platform upon which its entire network operates. nxus® is a scalable and comprehensive network platform developed to drive revenue, measure conversions and optimise digital ad spend of the Group's advertiser clients.

OPERATING AND FINANCIAL REVIEW

The 2016 financial year was the Group's first full year of trading since completing a $6 million capital raising at the end of June 2015 and being readmitted to quotation on the Australian Securities Exchange on 7 July 2015.

A summary of the operating results achieved by the Group is set out below:

	FY 2016 $	FY 2015[2] $	FY 2014[2] $
Revenue[1]	**32,123,476**	11,849,518	1,137,818
Cost of services rendered	**(24,895,438)**	(9,890,720)	(1,889,269)
Gross profit / (loss)[1]	**7,228,038**	1,958,798	(751,451)
Other income	**359,585**	151,555	503,979
Overheads[3]	**(6,695,194)**	(3,910,285)	(1,524,566)
	892,429	(1,799,932)	(1,772,038)
Other expenses[4]	**(4,280,938)**	(8,473,365)	(11,543)
Loss before income tax	**(3,388,509)**	(10,273,297)	(1,783,581)

Notes:
1. The significant increase in revenue and gross profit in FY 2016 is a result of the successful deployment of the Group's growth strategies developed to: increase the spend by existing advertiser clients, expand the client base and partner network, and actively seek new ways to increase gross margin.
2. The financial information provided for FY 2015 and FY 2014 comprises the operating results of the Livelynk group of companies (Livelynk Group Pty, Mpire Media Pty Ltd and Mpire Network Inc). This financial information excludes the operating results of Tech Mpire Limited due to the fact that the deemed reverse acquisition of Tech Mpire Limited by the Livelynk group of companies completed on 29 June 2015.
3. The increase in overheads in FY 2016 from FY 2015 is largely due to the expansion of the marketing and development teams and the incurring of costs associated with being a listed company, such as: ASX listing fees, share registry fees, investor relations support. In addition, an abnormal increase in bad and doubtful debts was experienced during the year
4. Other expenses are made up of the following costs that are not regarded as being ongoing operational costs:

	FY 2016 $	FY 2015[2] $	FY 2014[2] $
Share based payments (non-cash)	(4,250,454)	-	-
Corporate transaction costs	(30,484)	(1,817,674)	(11,543)
Excess consideration on reverse acquisition	-	(6,167,441)	-
Reversal of prior period sale	-	(488,250)	-
	(4,280,938)	(8,473,365)	(11,543)

A summary of the Group's financial position at year end is set out below:

	FY 2016	FY 2015	FY 2014
	$	$	$
Current Assets	**10,130,088**	10,450,899	991,856
Non-Current Assets	**216,690**	104,947	158,899
Total Assets	**10,346,778**	10,555,846	1,150,755
Current Liabilities	**2,235,943**	3,367,528	1,535,925
Non-Current Liabilities	**75,294**	63,837	32,286
Total Liabilities	**2,311,237**	3,431,365	1,568,211
Net Assets / (Liabilities)	**8,035,541**	7,124,481	(417,456)

Notes:

1. The improvement in the net asset position at FY 2016 is largely due to the early settlement of a legacy income tax liability, and having no amounts drawn down under the debtor factoring facility. The improvement in the net asset position from FY 2014 to FY 2015 was mainly due to the successful completion of a $6 million capital raising on 29 June 2015.
2. The financial information provided for FY 2014 comprises the financial position of the Livelynk group of companies only due to the fact that the deemed reverse acquisition of Tech Mpire Limited by the Livelynk group of companies only completed on 29 June 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the Group's state of affairs during the course of the 2016 financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No event has arisen since 30 June 2016 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

LIKELY DEVELOPMENTS AND EXPECTED FUTURE RESULTS

The Group's growth strategy for the 2017 financial year (**FY17**), in which technology will take a dominant role, will focus on its three enduring objectives: increasing the spend from existing advertiser clients, expanding advertiser client base and partner network, and actively seeking ways to increase gross margins.

Throughout FY17, the Group anticipates that the following factors will impact on its performance in achieving these objectives:

- Accelerated development of technology platform, nxus®
- Launch of advertiser self-serve portal
- Greater visibility and campaign optimisation leveraging large volumes of operational data
- Improved traffic quality through machine learning implementations
- Automation to deliver greater value and margins

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any particular or specific environmental regulation in any of the jurisdictions in which it operates and therefore is not required to present further details in relation to environmental regulation.

SHARE OPTIONS

Unissued shares

As at 30 June 2016 and the date of this report, there were 13,800,000 unissued ordinary shares under options.

Expiry Date	Exercise Price	Number on issue
31 December 2016	$0.20	6,800,000
29 June 2018[1]	$0.50	7,000,000
		13,800,000

[1] includes 500,000 options that are escrowed until 7 July 2017

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, 200,000 options have been exercised to acquire ordinary shares (2015: nil).

PERFORMANCE RIGHTS

Unissued shares

As at 30 June 2016 and the date of this report, there were 7,500,000 unissued ordinary shares under performance rights. Refer to the remuneration report for further details of the performance rights outstanding.

Holders of performance rights do not have any right, by virtue of the performance right, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the conversion of performance rights

During the financial year, 5,000,000 performance rights were converted into 5,000,000 ordinary shares (2015: nil).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS

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

Number of meetings held 12

	Number of meetings eligible to attend	Number of meetings attended
D. Wates	8	8
L. Taylor	12	12
Z. Tsvetnenko	12	12
S. Belben	5	5

Committee Membership

Due to the Company's relatively small size and board structure, separate Remuneration and Audit Committees have not been constituted. The full board of directors assumes responsibility for any such matters as outlined in the Company's corporate governance plan.

NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, Ernst & Young Australia, during the year and Ernst & Young Australia received or is due to receive the following amounts for the provision of such services:

	$
Tax advice services	52,968

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means the auditor independence was not compromised.

AUDITOR INDEPENDENCE

Section 307C of the *Corporations Act 2001* requires the Company's auditors, Ernst & Young Australia, to provide the directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. The directors received the Independence Declaration set out on page 19 for the year ended 30 June 2016.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2016 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001 (Cth), as amended* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Remuneration outcomes
4. Executive contracts
5. Additional disclosures relating to performance rights, options and shares
6. Other transactions and balances with key management personnel and their related parties

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who 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 entity.

The table below outlines the KMP of the Group during the financial year ended 30 June 2016. Unless otherwise indicated, the individuals were KMP for the entire financial year.

For the purposes of this report, the term "executive" indicates the executive directors and senior executives of the Group.

(i) Non-Executive Directors (NEDs)	
S. Belben (appointed on 29 February 2016)	Non-Executive Chairman
D. Wates (resigned on 29 February 2016)	Non-Executive Chairman
Z. Tsvetnenko	Non-Executive Director
(ii) Executive Directors	
L. Taylor	Managing Director (MD)
(iii) Senior Executives	
J. Botnick	Managing Director of Network
F. Muir	Chief Financial Officer[1] and joint Company Secretary
C. Madelin	Chief Financial Officer and joint Company Secretary (appointed on 19 January 2016)

Notes

[1] Ms Muir went on maternity leave on 11 January 2016 and stepped down from the role of Chief Financial Officer with effect from that date.

REMUNERATION REPORT (AUDITED) (continued)

2. Remuneration governance

2(a) Remuneration Philosophy

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

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

2(b) Remuneration Committee

The current size of the Group and structure of the board of directors does not warrant a separate remuneration committee. The board of directors as a whole (**Board**) is currently responsible for determining and reviewing compensation arrangements for directors and executives. Directors are excluded from discussions and voting on their own remuneration arrangements.

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

2(c) Remuneration Structure: Non-Executive Director Remuneration

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

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

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate remuneration set pursuant to Tech Mpire Limited's constitution is $250,000 per year, which may be varied by shareholders in general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board does not currently seek external remuneration advice.

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

2(d) Remuneration Structure: Executive Director and Senior Executive Remuneration

(i) Objective

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

- Reward executives;
- Align the interests of executives with those of shareholders;
- Link reward with strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

(ii) Principles of Compensation

Compensation levels for employees of the Group are competitively set to attract and retain appropriately qualified and experienced senior executives. As required, the Board obtains independent advice on the appropriateness of remuneration packages given trends in comparative companies and the Group's objectives.

(iii) Structure

Remuneration consists of the following key elements:

- Fixed Remuneration (base salary, superannuation and non-monetary benefits);
- Variable Remuneration
    - Short-term incentives
    - Long-term incentives

The Board establishes the proportion of fixed and variable remuneration for each executive.

REMUNERATION REPORT (AUDITED) (continued)

2(d) Remuneration Structure: Executive Director and Senior Executive Remuneration (continued)

(iii) Structure (continued)

Fixed Remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The Board reviews fixed remuneration annually by reviewing the overall performance of the individual and of the Group.

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

Variable Remuneration – short-term incentive
The objective of short term incentives is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets.

From time to time cash bonuses (short-term incentives) are paid where an executive has met a short term objective of the Group. Such bonuses are paid when specific criteria are met which are set by the Board or when an executive has made contributions that are significant and beyond the normal expectations of their role.

Variable Remuneration – long-term incentive
Long-term incentives are delivered in the form of options and performance rights.

Options
The strike price of options is determined so as to ensure that the options only have value if there is an increase in shareholder wealth over time. For each option granted, specific hurdles are provided which must be met before the options vest.

There were no options issued during the current year (2015: Nil).

Performance Rights
Performance rights are issued in accordance with the terms and conditions of the Tech Mpire Performance Rights Plan (**Plan**) that has been approved by the Company's shareholders.

Pursuant to the listing rules of the Australian Securities Exchange (**Listing Rules**), the Company's shareholders are required to re-approve the Plan and all unallocated performance rights issuable under it every three years.

The key features of the Plan are as follows:

- The Board will determine the number of performance rights to be granted to eligible employees and the vesting conditions and expiry date of the performance rights in its sole discretion.
- The vesting conditions may include one or more of (i) service to the Group of a minimum period of time (ii) achievement of specific performance conditions by the eligible employee and/or by the Group or (iii) such other performance conditions as the Board may determine. The Board determines whether vesting conditions have been met.
- The vesting conditions will have a milestone date as determined by the Board in its absolute discretion and the Board shall have discretion to extend a milestone date.
- If a vesting condition is not achieved by the earlier of the milestone date or the expiry date then the performance right will lapse. An unvested performance right will also lapse if the participant ceases to be an eligible employee for the purposes of the Plan by reason of resignation, termination for poor performance or termination for cause (unless the Board determines otherwise).
- Performance rights will not be listed for quotation. However, the Company will make application to the Australian Securities Exchange for official quotation of all shares issued on vesting of the performance rights within the period required by the Listing Rules.
- The performance rights are not transferable unless the Board determines otherwise or the transfer is required by law and the transfer complies with the Corporations Act.
- Where there is an event that the Board considers may result in a change of control of the Company (**Change of Control Event**), the Board may in its discretion determine that all or a specified number of the participant's performance rights vest or cease to be subject to restrictions (as applicable) although the Board may specify in an offer to a participant that a different treatment will apply if a Change of Control Event occurs.

  Unless the Board determines otherwise, if a Change of Control Event occurs, any restrictions on dealing imposed on vested Performance Rights will cease to have effect.

REMUNERATION REPORT (AUDITED) (continued)

2(e) Remuneration Report Approval at 2015 Annual General Meeting

The remuneration report of Tech Mpire Limited for the year ended 30 June 2015 received positive shareholder support at the 2015 AGM with a vote of 58% in favour.

REMUNERATION REPORT (AUDITED) (continued)

3. Remuneration outcomes

Remuneration of Key Management Personnel

		Short-term benefits			Post-employment	Long-term benefits	Share-based payments			
		Salary & fees $	Cash bonus $	Non-monetary benefits $	Super $	Long service leave $	Performance Rights $	Shares $	Total $	Performance related %
Non-Executive Directors										
J. Rubino[2]	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	10,046	-	-	954	-	-	-	11,000	-
P. Alexander[2]	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	20,091	-	-	1,909	-	-	-	22,000	-
D. Wates[7]	**2016**	**40,308**	**-**	**-**	**3,829**	**-**	**-**	**-**	**44,137**	**-**
	2015	30,137	-	-	2,863	-	-	-	33,000	-
Z. Tsvetnenko[3]	**2016**	**47,016**	**-**	**-**	**4,466**	**-**	**2,039,418**	**-**	**2,090,901**	**98**
	2015	150,000	-	-	14,250	-	-	-	164,250	-
S. Belben[8]	**2016**	**23,769**	**-**	**-**	**2,258**	**-**	**-**	**-**	**26,027**	**-**
	2015	-	-	-	-	-	-	-	-	-
Executive Directors										
L. Taylor[3,9]	**2016**	**201,200**	**-**	**-**	**19,000**	**1,940**	**1,104,685**	**-**	**1,326,824**	**83**
	2015	219,452	6,104	-	21,580	31,501	-	-	278,637	2
Total Directors	**2016**	**312,293**	**-**	**-**	**29,553**	**1,940**	**3,144,103**	**-**	**3,487,889**	**90**
	2015	429,726	6,104	-	41,556	31,501	-	-	508,887	2
Senior Executives										
J. Botnick[4]	**2016**	**298,293**	**645,774**	**-**	**-**	**-**	**1,104,685**	**-**	**2,048,752**	**85**
	2015	313,707	126,961	-	-	-	-	-	440,668	29
F. Muir[4,5]	**2016**	**125,051**	**-**	**-**	**11,880**	**618**	**-**	**-**	**137,549**	**-**
	2015	183,066	-	-	23,891	2,047	-	-	209,004	-
C. Madelin[6]	**2016**	**79,269**	**-**	**-**	**7,531**	**94**	**-**	**-**	**86,894**	**-**
	2015	-	-	-	-	-	-	-	-	-
Total Senior Executives	**2016**	**502,613**	**645,774**	**-**	**19,411**	**712**	**1,104,685**	**-**	**2,273,195**	**77**
	2015	496,773	126,961	-	23,891	2,047	-	-	649,672	20
Total	**2016**	**814,906**	**645,774**	**-**	**48,964**	**2,652**	**4,248,788**	**-**	**5,761,084**	**85**
	2015	926,499	133,065	-	65,447	33,548	-	-	1,158,559	11

REMUNERATION REPORT (AUDITED) (continued)

3. Remuneration outcomes (continued)

Notes

1. Tech Mpire Limited completed the acquisition of Livelynk Group Pty Ltd and its controlled entities on 29 June 2015. The acquisition was deemed to be a reverse acquisition for accounting purposes. Consequently, the comparative financial information presented for the 2015 financial year comprises the financial information of Livelynk Group Pty Ltd and its controlled entities. However, to ensure optimal disclosure, the remuneration of key management personnel employed by Tech Mpire Limited during the 2015 financial year has also been disclosed.
2. Resigned as director of Tech Mpire Limited on 29 June 2015
3. Appointed as director of Tech Mpire Limited on 29 June 2015
4. Appointed as senior executive of Tech Mpire Limited on 29 June 2015
5. Went on maternity leave on 11 January 2016 and stepped down from the role of Chief Financial Officer with effect from that date
6. Appointed as Chief Financial Officer and joint Company Secretary on 19 January 2016
7. Resigned as director of Tech Mpire Limited on 29 February 2016
8. Appointed as director of Tech Mpire Limited on 29 February 2016
9. Salary and fees for the 2016 financial year includes a travel allowance of $1,200

REMUNERATION REPORT (AUDITED) (continued)

4. Executive contracts

Remuneration arrangements for executives are formalised in the employment agreements. The following outlines the details of the contracts with executives:

Name:	Luke Taylor
Title:	Managing Director
Agreement commenced:	29 June 2015.
Term of agreement:	3 years
Details:	• Annual base salary of $200,000 per annum plus statutory superannuation. • The agreement may be terminated: - by either party without cause with six months' notice, or in the case of the Company, immediately with payment in lieu of notice; - by the Company on one months' notice, if Mr Taylor is unable to perform his duties due to illness, accident or incapacitation, for three consecutive months or a period aggregating more than three months in any 12 month period; or - promptly following material breach or in the case of misconduct. • Other industry standard provisions for a senior executive of a public listed company.

Name:	Jeffrey Botnick
Title:	Managing Director of Mpire Network Inc
Agreement commenced:	28 February 2014
Term of agreement:	No fixed term
Details:	• Mr Botnick receives an annual salary of USD$265,000 (inclusive of social security payment and taxes), together with benefits and insurance and commission of 7.5% of gross profit of the Company's Canadian subsidiary, Mpire Network. • The agreement may be terminated: - by Mr Botnick with three months' notice; - by the Company without cause with seven days' notice and payment of six months' salary; or - by the Company immediately for cause. • Mr Botnick is based in Toronto, Canada, but may be required to spend up to 15% of his time travelling and working overseas.

Name:	Fiona Muir
Title:	Chief Financial Officer[1] and joint Company Secretary
Agreement commenced:	24 February 2014
Term of agreement:	No fixed term
Details:	• Annual base salary of $210,000 per annum plus statutory superannuation. • The agreement may be terminated: - by Ms Muir with three months' notice; - by the Company with three months' notice or payment in lieu of notice; - by the Company immediately for cause.

Name:	Clare Madelin
Title:	Chief Financial Officer and joint Company Secretary
Agreement commenced:	18 January 2016
Term of agreement:	Minimum 6 months, with the option to extend
Details:	• Annual base salary of $180,000 per annum plus statutory superannuation. • The agreement may be terminated: - by Ms Madelin with one months' notice, unless the Company is in breach of a material term of the agreement, in which case Ms Madelin may terminate it immediately; - by the Company with one months' notice or payment in lieu of notice; - by the Company immediately for cause.

1 Ms Muir went on maternity leave on 11 January 2016 and stepped down from the role of Chief Financial Officer with effect from that date.

The key management personnel receive a superannuation guarantee contribution required by the government, which increased from 9.25% to 9.5% from 1 July 2015, and do not receive any other retirement benefits.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

REMUNERATION REPORT (AUDITED) (continued)

5. Additional disclosures relating to performance rights, options and shares

Performance Rights

The table below discloses the number of performance rights granted and vested during the year. No performance rights lapsed during the year.

		Class A Performance Rights						Class B Performance Rights					
		Balance at the beginning of the year	**Number issued during the year**	**Grant date**	**Fair value per performance right at grant date (cents)**	**Number vested during the year**	**Balance at the end of the year**	**Balance at the beginning of the year**	**Number issued during the year**	**Grant date**	**Fair value per performance right at grant date (cents)**	**Number vested during the year**	**Balance at the end of the year**
Z. Tsvetnenko	**2016**	**2,400,000**	**-**	**-**	**-**	**(2,400,000)**	**-**	**3,600,000**	**-**	**-**	**-**	**-**	**3,600,000**
	2015	-	2,400,000	29/06/2015	30.59	-	2,400,000	-	3,600,000	29/06/2015	17.00	-	3,600,000
L. Taylor	**2016**	**1,300,000**	**-**	**-**	**-**	**(1,300,000)**	**-**	**1,950,000**	**-**	**-**	**-**	**-**	**1,950,000**
	2015	-	1,300,000	29/06/2015	30.59	-	1,300,000	-	1,950,000	29/06/2015	17.00	-	1,950,000
J. Botnick	**2016**	**1,300,000**	**-**	**-**	**-**	**(1,300,000)**	**-**	**1,950,000**	**-**	**-**	**-**	**-**	**1,950,000**
	2015	-	1,300,000	29/06/2015	30.59	-	1,300,000	-	1,950,000	29/06/2015	17.00	-	1,950,000
Total	**2016**	**5,000,000**	**-**			**(5,000,000)**	**-**	**7,500,000**	**-**			**-**	**7,500,000**
	2015	-	5,000,000			-	5,000,000	-	7,500,000			-	7,500,000

Performance rights do not carry any voting or dividend rights and can only be converted once the vesting conditions have been met, until their expiry date.

The performance rights were granted in two tranches with the following vesting conditions and milestone dates:

Tranche	Vesting Condition	Milestone date
Class A Performance Rights	Upon the **Livelynk Group** achieving $25,000,000 of cumulative gross revenue within 18 months after **Completion**.	On or before the date that is 18 months after **Completion** (Class A Milestone Date)
Class B Performance Rights	Upon the **Livelynk Group** achieving cumulative net profit before tax of at least $1,500,000 during the period from **Completion** until the date that is 24 months after **Completion**.	On or before the date that is 24 months after **Completion** (Class B Milestone Date)

Livelynk Group comprises Livelynk Group Pty Ltd, Mpire Media Pty Ltd and Mpire Network Inc.
Completion occurred on 29 June 2015

REMUNERATION REPORT (AUDITED) (continued)

5. Additional disclosures relating to performance rights, options and shares (continued)

Performance Rights (continued)

During the current year, the share based payments expense relating to the Class A and Class B Performance Rights was recognised in full upon the respective achievement of cumulative revenue and net profit conditions. The Class A Performance Rights vested during the current year and were converted into ordinary shares on a one for one basis. The vesting of the Class B Performance Rights will be considered by the Board of Directors on 29 June 2017

Following Mr Tsvetnenko's resignation as a director of the Company subsequent to year end, the Board has determined that, in accordance with the Tech Mpire Performance Rights Plan (**Plan**), Mr Tsvetnenko will continue to hold 3,600,000 Class B Performance Rights which will remain subject to the Plan rules and the relevant conditions advised to him.

Options

The table below discloses the options held directly, indirectly and beneficially by key management personnel.

No options lapsed during the year.

	Balance at 1 July 2015	Granted as remuneration	Exercised	Net change other	Balance at 30 June 2016	Exercisable	Not exercisable
Non-Executive Directors							
D. Wates[1]	1,000,000	-	-	(1,000,000)	-	-	-
Z. Tsvetnenko	-	-	-	-	-	-	-
Executive Directors							
L. Taylor	-	-	-	-	-	-	-
Senior Executives							
J. Botnick	-	-	-	-	-	-	-
F. Muir	-	-	-	-	-	-	-
C. Madelin	-	-	-	-	-	-	-
Total	**1,000,000**	**-**	**-**	**(1,000,000)**	**-**	**-**	**-**

Notes

1 Upon his resignation as director of the Company on 29 February 2016, Mr Wates held 1,000,000 unlisted options. These options vested on grant date, 1 October 2012, and have an exercise price of $0.20 and an expiry date of 31 December 2016.

Shares

The table below discloses the shares held directly, indirectly and beneficially by key management personnel.

	Balance at 1 July 2015	Granted as remuneration	On conversion of performance rights	Net change other	Balance at 30 June 2016	Held at 30 June 2016
Non-Executive Directors						
D. Wates[1]	500,001	-	-	(500,001)	-	-
Z. Tsvetnenko[2]	7,500,000	-	2,400,000	-	9,900,000	9,900,000
Executive Directors						
L. Taylor[2]	-	-	1,300,000	-	1,300,000	1,300,000
Senior Executives						
J. Botnick[2]	-	-	1,300,000	-	1,300,000	1,300,000
F. Muir	-	-	-	-	-	-
C. Madelin						
Total	**8,000,001**	**-**	**5,000,000**	**(500,001)**	**12,500,000**	**12,500,000**

Notes

1 Upon his resignation as director of the Company on 29 February 2016, Mr Wates held 500,001 ordinary shares

2 Shares held at 30 June 2016 are subject to escrow restrictions which are in place until 7 July 2017

6. Other transactions and balances with key management personnel and their related parties

During the current year, the Group received the following fees from entities associated with Mr Tsvetnenko:

Fees for the provision of office space and administration services.	$44,291
Fees for the provision of accounting support	$26,383

During the course of the 2014 and 2015 financial years, Mpire Media Pty Ltd provided funding to Irish incorporated Maroon Tech Limited (**Maroon Tech**), an entity associated with Mr Tsvetnenko. Maroon Tech provided performance based marketing services to advertisers located mainly in Europe. It had been the intention of the directors of Livelynk Group Pty Ltd (the parent entity of Mpire Media Pty Ltd) to acquire Maroon Tech and include it in the group of companies to be involved in a corporate transaction. However, Maroon Tech was unable to acquire a sufficient share of the European market. Consequently, it did not form part of the group involved in the corporate transaction with Tech Mpire. Maroon Tech has ceased trading, and is unable to repay the loan funds provided by Mpire Media Pty Ltd. As a result, the balance owing of $194,514 has been written off as a bad debt during the current year.

In the prior year, the Company entered into a consultancy agreement with Mr Wates for the provision of management services to the Company. Under this agreement, Mr Wates was entitled to fees of $25,000 per month (exclusive of GST) with effect from 1 April 2015. The consultancy arrangement with Mr Wates came to an end in July 2015.

Capri Corporate, a consultancy service provider associated with Mr Wates' spouse, was engaged by the Company in the prior year to provide financial management services to the Company and was paid a fee of $1,667 per month (exclusive of GST). The engagement of Capri Corporate came to an end in July 2015.

Signed in accordance with a resolution of the directors:

Luke Taylor
Managing Director

Perth, Western Australia
Dated this 12th day of September 2016

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Tech Mpire Limited

As lead auditor for the audit of Tech Mpire Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Tech Mpire Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

G Lotter
Partner
12 September 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Continuing Operations			
REVENUE	**4**	**32,123,476**	11,849,518
Cost of services rendered		**(24,895,438)**	(9,890,720)
GROSS PROFIT/(LOSS)		**7,228,038**	1,958,798
Other income	**5(a)**	**359,585**	151,555
OVERHEADS			
Administration costs	**5(b)**	**(439,297)**	(318,542)
Compliance costs	**5(c)**	**(195,964)**	(96,711)
Consultancy costs	**5(g)**	**(325,271)**	(27,151)
Employment costs	**5(d)**	**(3,906,105)**	(2,566,885)
Occupancy costs		**(223,420)**	(209,743)
Marketing costs		**(209,500)**	(235,051)
Bad and doubtful debts expense		**(1,204,260)**	(250,431)
Finance costs	**5(e)**	**(119,464)**	(154,103)
Foreign exchange differences		**(35,072)**	(25,671)
Depreciation		**(36,841)**	(25,997)
		(6,695,194)	(3,910,285)
OTHER EXPENSES			
Corporate transaction costs	**5(f)**	**(30,484)**	(1,817,674)
Share based payments	**17**	**(4,250,454)**	-
Excess consideration on reverse acquisition	**16(b)**	**-**	(6,167,441)
Reversal of prior period sale	**5(h)**	**-**	(488,250)
		(4,280,938)	(8,473,365)
Loss before income tax		**(3,388,509)**	(10,273,297)
Income tax expense	**6**	**(258,056)**	(58,195)
Loss for the year attributable to the members of Tech Mpire Limited		**(3,646,565)**	(10,331,492)
Other comprehensive income net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**253,171**	140,085
Total comprehensive loss for the year attributable to the members of Tech Mpire Limited		**(3,393,394)**	(10,191,407)
Loss per share attributable to members of Tech Mpire Limited			
Basic loss per share (cents)	**24**	(5.97)	(120.88)
Diluted loss per share (cents)	**24**	(5.97)	(120.88)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016	2015
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**5,601,353**	6,234,159
Restricted cash	8	**-**	37,500
Trade and other receivables	9	**4,528,735**	4,179,240
TOTAL CURRENT ASSETS		**10,130,088**	10,450,899
NON-CURRENT ASSETS			
Goodwill	16(a)	**41,455**	-
Plant and equipment	10	**175,235**	104,947
TOTAL NON-CURRENT ASSETS		**216,690**	104,947
TOTAL ASSETS		**10,346,778**	10,555,846
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**1,835,520**	1,813,859
Provisions	12	**400,423**	900,719
Interest-bearing loans and borrowings	13	**-**	652,950
TOTAL CURRENT LIABILITIES		**2,235,943**	3,367,528
NON-CURRENT LIABILITIES			
Provisions	12	**75,294**	63,837
TOTAL NON-CURRENT LIABILITIES		**75,294**	63,837
TOTAL LIABILITIES		**2,311,237**	3,431,365
NET ASSETS		**8,035,541**	7,124,481
EQUITY			
Contributed equity	14	**17,143,905**	15,390,390
Share based payment reserve	15	**4,893,993**	2,343,054
Foreign currency translation reserve	15	**396,849**	143,678
Accumulated losses	18	**(14,399,206)**	(10,752,641)
TOTAL EQUITY		**8,035,541**	7,124,481

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		$	$
Cash flows from operating activities			
Receipts from customers		**28,713,353**	7,738,563
Payments to suppliers and employees		**(30,067,205)**	(13,425,375)
Other income received		**129,164**	167,582
Interest received		**60,651**	-
Interest paid		**(229,389)**	(90,737)
Income tax paid		**(670,647)**	(294,290)
Net cash flows used in operating activities	**7**	**(2,064,073)**	(5,904,257)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		**-**	10,782
Purchase of plant and equipment		**(113,694)**	(40,318)
Acquisition of subsidiary, net of cash acquired	**16(a)**	**(12,076)**	-
Deposits paid for leased premises		**-**	(7,120)
Cash acquired on completion of reverse acquisition	**16(b)**	**-**	1,314,799
Net cash flows (used)/generated by investing activities		**(125,770)**	1,278,143
Cash flows from financing activities			
Proceeds from issue of shares		**40,000**	6,500,000
Share issue costs paid		**(377,304)**	(101,911)
Loan funds received		**-**	5,070,381
Loan funds repaid		**-**	(2,114,074)
Loan funds advanced		**-**	(215,040)
Loan repayments received		**-**	227,425
Advances received under debtor financing facility		**2,476,081**	1,305,355
Repayment of advances received under debtor financing facility		**(577,122)**	-
Refund of prospectus oversubscriptions		**(37,500)**	-
Net cash flows provided by financing activities		**1,524,155**	10,672,136
Net (decrease)/increase in cash and cash equivalents		**(665,688)**	6,046,022
Cash and cash equivalents at the beginning of the year		**6,234,159**	48,052
Effects of exchange rate changes on cash and cash equivalents		**32,882**	140,085
Cash and cash equivalents at the end of the year	**7**	**5,601,353**	6,234,159

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Contributed equity	Retained earnings/ (accumulated losses)	Share based payments reserve	Foreign currency translation reserve	Total equity
	$	$	$	$	$
Balance at 1 July 2015	**15,390,390**	**(10,752,641)**	**2,343,054**	**143,678**	**7,124,481**
Loss for the year	-	(3,646,565)	-	-	(3,646,565)
Other comprehensive income					
Foreign exchange differences arising on translation of foreign operations	-	-	-	253,171	253,171
Total comprehensive income/(expenditure) for the year	**-**	**(3,646,565)**	**-**	**253,171**	**(3,393,394)**
Transactions with equity holders in their capacity as owners					
Shares issued on exercise of options	40,000	-	-	-	40,000
Share based payments expense	-	-	4,250,454	-	4,250,454
Shares issued on vesting of performance rights	1,699,515	-	(1,699,515)	-	-
Shares to be issued as consideration for acquisition of controlled entity	14,000	-	-	-	14,000
	1,753,515	**-**	**2,550,939**	**-**	**4,304,454**
Balance at 30 June 2016	**17,143,905**	**(14,399,206)**	**4,893,993**	**396,849**	**8,035,541**
Balance at 1 July 2014	100	(421,149)	-	3,593	(417,456)
Loss for the year	-	(10,331,492)	-	-	(10,331,492)
Other comprehensive income					
Foreign exchange differences arising on translation of foreign operations	-	-	-	140,085	140,085
Total comprehensive income/(expenditure) for the year	-	(10,331,492)	-	140,085	(10,191,407)
Transactions with equity holders in their capacity as owners					
Shares issued under a subscription agreement	500,000	-	-	-	500,000
Shares issued under a prospectus	6,000,000	-	-	-	6,000,000
Share issue costs recognised directly in equity	(488,215)	-	-	-	(488,215)
Shares issued on conversion of loan	849,565	-	-	-	849,565
Shares issued on settlement of loan	1,000,000	-	-	-	1,000,000
Shares issued as consultancy fee	375,000	-	-	-	375,000
Options issued as consultancy fee	-	-	73,444	-	73,444
Options issued as working capital facility fee	-	-	954,764	-	954,764
Fair value of shares and options transferred under reverse acquisition accounting	7,153,940	-	1,314,846	-	8,468,786
	15,390,290	-	2,343,054	-	17,733,344
Balance at 30 June 2015	15,390,390	(10,752,641)	2,343,054	143,678	7,124,481

1. CORPORATE INFORMATION

The consolidated financial report of Tech Mpire Limited (**Tech Mpire** or **Company**) and its controlled entities (collectively referred to as the **Group**) for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 12 September 2016.

Tech Mpire is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is in Bentley, Western Australia.

The nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group's structure and related party relationships is provided in Note 21.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a summary of the significant accounting policies adopted in the preparation of this financial report. These polices have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets acquired.

The financial report is presented in Australian dollars.

i. Statement of Compliance

The consolidated financial statements of Tech Mpire Ltd comply with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

ii. Changes in accounting policies, disclosures, standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2016 are outlined below:

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on the Group's Financial Statements
AASB 9	**Financial Instruments**	AASB 9 (December 2014) is a new standard **which replaces AASB 139.** This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and **includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.** **The Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.** ***Classification and measurement*** **AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.** The main changes are described below. ***Financial assets*** a. Financial assets that are debt instruments	1 January 2018	1 July 2018	No significant impact is anticipated.

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on the Group's Financial Statements
		will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. ***Financial liabilities*** Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. ***Impairment*** **The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.** ***Hedge accounting*** Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9,			

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on the Group's Financial Statements
		introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.			
AASB 15	**Revenue from Contracts with Customers**	AASB 15 *Revenue from Contracts with Customers* replaces the existing revenue recognition standards AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations **(Interpretation *13 Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate,* Interpretation 18 *Transfers of Assets from Customers*, Interpretation 131 *Revenue—Barter Transactions Involving Advertising Services* and Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*).** AASB 15 incorporates the requirements of IFRS 15 *Revenue from Contracts with Customers* issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).**The core principle of AASB 15 is that an entity recognises 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. An entity recognises revenue in accordance with that core principle by applying the following steps:** (a) **Step 1: Identify the contract(s) with a customer** (b) **Step 2: Identify the performance obligations in the contract** (c) **Step 3: Determine the transaction price** (d) **Step 4: Allocate the transaction price to the performance obligations in the contract** (e) **Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation** AASB 2015-8 amended the **AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.** AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of	1 January 2018	1 July 2018	No significant impact is anticipated.

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on the Group's Financial Statements
		AASB 15. AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.			
AASB 16	**Leases**	The key features of AASB 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. **Lessor accounting** • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases—Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from	1 January 2019	1 July 2019	No significant impact is anticipated.

Reference	Title	Summary	Application date of standard	Application date for Group	Impact on the Group's Financial Statements
		Contracts with Customers, has been applied, or is applied at the same date as AASB 16.			
IFRS 2 (Amendments)	**Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2]**	This standard amends to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018	No significant impact is anticipated.

(a) Basis of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers, being the executive management team.

Information about other business activities are combined and disclosed in a separate category called "other".

(c) Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

ii. Transactions and balances

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

iii. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(d) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

	Method	**Useful Lives**
Plant and equipment	Reducing Balance	1.5 – 2.5 years
Leasehold improvements	Straight Line	the term of the lease
Office equipment	Reducing Balance	2 – 10 years
Computer software and hardware	Straight Line	1.5 – 4 years

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs of disposal) and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Trade and Other Receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

(g) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(h) 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.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the specific criteria have been met for each of the Group's activities as described below:

i. Advertising income

Revenue from advertising services is recognised when the services have been performed and the fair value of the consideration for the services provided can be reliably measured.

ii. Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with and are recognised in profit or loss on a systematic basis over the period in which the entity recognises as expenses the related costs to which the grant is intended to compensate.

(j) Trade and Other Payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Income Tax

Current Tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income Tax (continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

The Group intends to form a tax consolidated group with effect from 1 July 2015.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the statement of profit and loss and other comprehensive income except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(n) Employee Benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Financial Assets

Initial recognition and measurement

Financial assets within the scope of AASB 139 are classified into the following specified categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity’ investments, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (the date that the Group commits to purchase or sell the asset).

The Group’s financial assets include cash and short-term deposits, trade and other receivables and loans and other receivables.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial Assets (continued)

Subsequent measurement

Loans and Receivables
Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded at amortised cost less impairment. Impairment is determined by review of the nature and recoverability of the loan or receivable with reference to its terms of repayments and capacity of the debtor entity to repay the debt. If the recoverable amount of a receivable is estimated to be less than its carrying amount, the carrying amount of receivable is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. They are included in current assets, other than those with maturities greater than 12 months from reporting date which are classified as non-current assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a" pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate (**EIR**).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, described as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss and other comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of AASB 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (**EIR**) method. Gains and losses are recognised in the statement of profit and loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss and other comprehensive income.

(r) Fair value measurement

The carrying amount of financial assets and trade and other payables recorded in the Financial Statements approximate their fair values. The carrying amount of interest-bearing loans and borrowings recorded in the Financial Statements approximate their fair values and are all classified as level 1 instruments per the below valuation methodology.

For financial instruments carried at fair value, the Group uses various methods in estimating fair value. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in an active market.
Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments Issued by the Group

Debt and equity instruments
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Interest and dividends
Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at balance date.

(v) Share-based payments

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.

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. An additional expense is recognised for any modification that increases the total fair value of the share based arrangement, or is otherwise beneficial to the recipient, 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 diluted loss per share.

(w) Earnings/loss per share

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

Diluted loss per share is calculated as net profit or loss attributable to members of the Company, adjusted for:
- costs of servicing equity (other than 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Significant accounting judgements, estimates and assumptions

The directors made estimates and judgements during the preparation of these Financial Statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the Financial Statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and assumptions made have been described below:

Share-based payments
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. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires making assumptions about the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 17.

Income Taxes
Judgement is required in assessing whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation.

The Group has $5,974,456 (2015: $6,271,147) of tax losses carried forward. Although these losses do not expire, they may not be capable of being used to offset taxable income elsewhere in the Group. The Group has neither taxable temporary differences nor tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets in respect of the tax losses carried forward.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by $2,025,265 (2015: $2,150,397). Further details on taxes are disclosed in Note 6.

Impairment of non-financial assets
The Group tests annually whether non-financial assets have suffered any impairment, in accordance with the accounting policy stated at Note 2(f). Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next two years. The assumptions used in the budget, such as growth rates, and the discount rate used are subject to judgement and estimates.

(y) Comparative information and reclassifications

Comparative information
On 29 June 2015, the Company completed its acquisition of 100% of Livelynk Group Pty Ltd and its controlled entities (**Livelynk**). The acquisition of Livelynk resulted in the shareholders of Livelynk obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that the majority of the board comprised nominees of Livelynk. A nominee of Livelynk was appointed as the Managing Director, and the Livelynk management team assumed responsibility for the management of the merged entity. Consequently, the acquisition was accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 "Business Combinations".

The application of the reverse acquisition guidance contained in AASB 3 resulted in the Company (the legal parent) being accounted for as the subsidiary and Livelynk (the legal subsidiary) being accounted for as the parent entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Comparative information and reclassifications

At the time the Company's acquisition of Livelynk completed, its operations did not fall within the scope of a "business" under AASB 3. Consequently, the acquisition did not meet the definition of a "business combination" under AASB 3, and the principles of AASB 3 could not be applied in their entirety. Instead, the acquisition was accounted for as a share-based payment transaction using the principles set out in AASB 2 "Share-based Payment" whereby Livelynk was deemed to have issued shares in exchange for the net assets and listing status of the Company. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by Livelynk and the fair value of the identifiable net assets of the Company was required to be recognised as an expense. Consequently, an expense of $6,167,441 was recognised.

The financial information provided for the comparative period, namely the year ended 30 June 2015, comprises the financial information of Livelynk and the results of the Company subsequent to the completion of the acquisition. The capital structure presented is that of the Company.

Reclassifications
Certain items of expenditure disclosed in the current year Preliminary Final Report and the prior year Annual Report have been reclassified in the current year financial statements to provide more relevant information to users, and to provide a better comparison to the 31 December 2015 half year results.

3. SEGMENT INFORMATION

The Group has two operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The Group's key operating segments are as follows and are linked to the Group's geographic dispersion:

- Technology: responsible for the development and maintenance of the Group's proprietary software platform, nxus®. These activities are conducted at the Group's Australian head office and its office in Croatia.
- Performance Marketing: responsible for generating the Group's main revenue stream. These activities are driven out of the Group's office in Toronto, Canada.

The board of directors review internal management reports on a monthly basis that are consistent with the information provided in the statement of profit and loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because, in aggregate, the information as presented is what is used by the board to make strategic decisions. No operating segments have been aggregated.

For the year ended 30 June 2016	**Technology**	**Performance Marketing**	**Other**	**Elimination of inter segment transactions**	**Consolidated**
	$	**$**	**$**	**$**	**$**
Revenue	3,344,623	32,123,476	-	(3,344,623)	32,123,476
Other income	191,288	20,058	86,882	-	298,228
Cost of services rendered	(166,212)	(28,064,682)	-	3,335,456	(24,895,438)
Overheads	(1,179,802)	(3,663,460)	(1,704,794)	9,167	(6,538,889)
Other expenses	-	-	(4,280,938)	-	(4,280,938)
EBITDA	2,189,897	415,392	(5,898,850)	-	(3,293,561)
Reconciliation of reportable segment loss					
EBITDA	2,189,897	415,392	(5,898,850)	-	(3,293,561)
Interest income	-	-	61,357	-	61,357
Interest expense	-	(78,421)	(41,043)	-	(119,464)
Depreciation	(13,965)	(18,631)	(4,245)	-	(36,841)
Income tax expense	(258,056)	-	-	-	(258,056)
Profit/(Loss) after income tax	**1,917,876**	**318,340**	**(5,882,781)**	**-**	**(3,646,565)**

3. SEGMENT INFORMATION (CONTINUED)

For the year ended 30 June 2015	Technology	Performance Marketing	Other	Elimination of inter segment transactions	Consolidated
	$	$	$	$	$
Revenue	1,295,345	11,849,518	-	(1,295,345)	11,849,518
Other income	-	-	151,555	-	151,555
Cost of services rendered	(66,999)	(11,046,117)	-	1,222,396	(9,890,720)
Overheads	(697,710)	(1,727,079)	(1,378,345)	72,949	(3,730,185)
Other expenses	-	-	(8,431,940)	-	(8,431,940)
EBITDA	**530,636**	**(923,678)**	**(9,658,730)**	**-**	**(10,051,772)**
Reconciliation of reportable segment loss					
EBITDA	530,636	(923,678)	(9,658,730)	-	(10,051,772)
Interest expense[1]	-	(9,680)	(185,848)	-	(195,528)
Depreciation	(14,363)	(6,847)	(4,787)	-	(25,997)
Income tax expense	(58,195)	-	-	-	(58,195)
Profit/(Loss) after income tax	**458,078**	**(940,205)**	**(9,849,365)**	**-**	**(10,331,492)**

[1] Interest expense disclosed under “Other” includes interest classified as Corporate Transaction Costs in the consolidated statement of profit and loss and other comprehensive income

	As at	Technology	Performance Marketing	Other	Consolidated
		$	$	$	$
Assets	**30 June 2016**	**394,408**	**5,474,411**	**4,477,959**	**10,346,778**
	30 June 2015	52,260	1,987,232	8,516,354	10,555,846
Liabilities	**30 June 2016**	**137,653**	**1,450,511**	**723,073**	**2,311,237**
	30 June 2015	67,428	3,134,787	229,150	3,431,365

4. REVENUE

	Consolidated 2016	Consolidated 2015
	$	$
From continuing operations		
Revenue from advertising services	**32,123,476**	11,849,518

Revenue from advertising services is recognised in the accounting period in which the services are rendered.

Revenue is based on the price specified in the sale contract, net of any discounts at the time of sale. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

5. OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in 'other income' and material overheads shown in the statement of profit and loss and other comprehensive income.

	Consolidated 2016 $	2015 $
(a) Other income		
Research and development grant [1]	**187,954**	-
Rental income	**25,763**	33,788
Recovery of shared office costs	**18,527**	25,525
Interest income	**61,357**	-
Miscellaneous income	**65,984**	92,242
	359,585	151,555
(b) Administration costs		
IT costs	**128,333**	36,850
Office and general administration costs	**225,822**	205,082
Write off of plant and equipment	**13,192**	-
Travel	**71,950**	76,609
	439,297	318,541
(c) Compliance costs		
Accounting and audit fees	**72,110**	54,295
ASX compliance fees	**50,772**	-
Tax advice and compliance fees	**62,168**	39,317
Regulatory body fees	**1,965**	3,099
Other	**8,949**	-
	195,964	96,711
(d) Employment costs		
Salaries and wages [2]	**3,265,768**	2,238,969
Superannuation and social benefits	**267,349**	175,497
Other	**372,988**	152,419
	3,906,106	2,566,885
(e) Finance costs		
Interest expense	**41,043**	144,423
Debtor financing fees	**78,421**	9,680
	119,464	154,103
(f) Corporate transaction costs		
Consultancy fees	**20,417**	493,943
Working capital facility fee	**-**	954,764
Interest expense	**-**	41,425
Legal fees	**10,067**	327,542
	30,484	1,817,674
(g) Consultancy costs		
Legal	**218,812**	11,620
Investor relations	**106,459**	606
Other	**-**	14,925
	325,271	27,151

5. OTHER INCOME AND EXPENSE ITEMS (continued)

	Consolidated 2016 $	2016 $
(h) Reversal of prior period sales		
Software development sale reversed[3]	-	488,250
	-	488,250

[1] in accordance with research and development tax legislation, the Group is entitled to a refundable research and development tax offset accounted for as a government grant. There are no unfulfilled conditions or contingencies attached to the grant.

[2] Note 25 provides details on directors and executives' remuneration.

[3] During the prior period, a software development sale recognised in the year ended 30 June 2014 totalling $488,250 was reversed because the sale transaction was cancelled.

6. INCOME TAX EXPENSE

	Consolidated 2016 $	2015 $
Major components of income tax expense for the year are:		
Income statement		
Current income tax		
Current income tax charge	**258,056**	-
Adjustments in respect of previous years	-	704
Deferred income tax		
Deferred income tax charge relating to origination and reversal of temporary differences	-	57,491
Income tax expense/(benefit) reported in income statement	**258,056**	58,195

Reconciliation

A reconciliation of income tax expense/(benefit) applicable to accounting loss before income tax at the statutory income tax rate to income tax expense/(benefit) at the Company's effective income tax rate for the year is as follows:

	Consolidated 2016 $	2015 $
Accounting loss before income tax	**(3,388,509)**	(10,273,297)
Income tax expense / (benefit) at the statutory income tax rate of 30% (2015: 30%)	**(1,016,553)**	(3,081,989)
Adjusted for:		
Under provision for income tax in previous years	-	704
Non-deductible excess consideration resulting from reverse acquisition	-	1,850,232
Non-deductible share based payment expenses	**1,275,136**	420,962
Non-deductible entertainment expenses	**10,125**	11,603
Non-deductible write off of plant and equipment	**3,958**	-
Non-deductible fines and penalties	-	714
Other non-deductible expenses	**180,800**	80,702
Other non-assessable amounts	**(56,386)**	-
Difference between the Australian statutory income tax rate and the statutory income tax rate applicable to foreign operations	**(1,219)**	25,935
Carried forward tax losses utilised	**(137,805)**	-
Tax losses and temporary differences not recognised as a deferred tax asset	-	749,332
	258,056	58,195

Tax Consolidation

The Company and its 100% owned Australian incorporated subsidiaries intend to form a tax consolidated group with effect from 1 July 2015.

6. INCOME TAX EXPENSE (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated 2016 $	Consolidated 2015 $
Revenue losses	**5,853,523**	6,150,214
Capital losses	**120,933**	120,933
Temporary differences	**776,426**	896,843
	6,750,882	7,167,990
Unrecognised tax losses at 30%	**2,025,265**	2,150,397

The revenue and capital losses presented above comprises the revenue and capital losses currently being carried forward by each of the entities within the Group. The Group is currently reviewing these carried forward tax losses to determine the quantum of losses that will be eligible to be utilised in future periods. In particular, the losses will be assessed in light of the corporate transaction that completed on 29 June 2015 pursuant to which the Company acquired Livelynk Group Pty Ltd and its controlled entities (refer to note 16(b) for further details).

Tax losses do not expire under current legislation.

Deferred tax assets have not been recognised in respect of tax losses or temporary differences because it is not certain that future taxable profit will be available in the near term against which the Group can utilise the benefits.

Availability of Tax Losses
As set out above, the availability of the tax losses of the entities within the Group for future periods is uncertain and will be dependent on these entities satisfying strict requirements with respect to continuity of ownership and the same business test imposed by income tax legislation.

The recoupment of tax losses as at 30 June 2016 is contingent upon the following:

- entities in the Group deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- there being no changes in income tax legislation which would adversely affect the entities from realising the benefit from the losses.

7. CASH AND CASH EQUIVALENTS

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank and on hand	**5,601,353**	6,234,159

Cash at bank and on hand earns interest at floating rates based on daily at call bank deposit and savings rates.

Details of the Group's borrowing facilities are set out in note 13.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank and on hand	**5,601,353**	6,234,159

7. CASH AND CASH EQUIVALENTS (continued)

Reconciliation from the loss after tax to the net cash flows from operations

	Consolidated	
	2016	**2015**
	$	**$**
Net loss	**(3,646,565)**	(10,331,492)
Adjustments for non-cash items:		
Accrued interest	**(706)**	-
Bad debts written off	**628,645**	-
Depreciation	**36,841**	25,997
Plant and equipment written off	**13,192**	-
Share based payments	**4,250,454**	1,403,207
Excess consideration on reverse acquisition	**-**	6,167,441
Changes in assets and liabilities:		
(Increase) in trade and other receivables[1]	**(2,561,556)**	(3,777,822)
(increase)/decrease in other receivables	**(169,064)**	12,253
(Increase) in accrued revenue	**(230,624)**	(103,435)
(Increase)/decrease in prepayments	**(113,673)**	9,129
(Increase)/decrease in deferred tax assets	**-**	57,491
Increase in trade and other payables[1]	**247,000**	755,708
Increase in provision for employee entitlements	**4,499**	60,928
(Decrease) in provision for income tax	**(522,516)**	(183,662)
Net cash used in operating activities	**(2,064,073)**	(5,904,257)

[1] Movement is stated after adjusting for the effects of movements in foreign exchange rates from the beginning of the financial year to the end of the financial year.

Non-cash investing and financing activities

Financing and investing transactions which have had a material effect on consolidated assets and liabilities of the Group but did not involve cash flows are set our below:

2016
Where the Group factors debtor balances owing to it, cash advances are received by the Group and are recognised as cash flows from financing activities in the Consolidated Statement of Cash Flows. The affected customers make payments directly to the debtor factoring agent.

Payments by customers made directly to the debtor factoring agent have the effect of reducing both the debtor balance owed to the Group and the amount owing by the Group to the debtor factoring agent. Given the amounts paid by these customers are not received directly by the Group, they are treated as non-cash flow movements and are excluded from receipts from customers shown in the Consolidated Statement of Cash Flows.

During the year, the customer payments made directly to the debtor factoring agent amounted to $2,566,000.

2015
- On 29 June 2015, 6,500,000 unlisted options with an expiry date of 29 June 2018 and an exercise price of $0.50 per option were issued as consideration for the provision of a working capital facility to Livelynk Group Pty Ltd.
- On 29 June 2015, 4,000,000 fully paid ordinary shares at a deemed issue price of $0.25 per share were issued to settle a working capital loan that had been assigned to the Company by Livelynk Group Pty Ltd.
- On 29 June 2015, 1,500,000 fully paid ordinary shares at a deemed issue price of $0.25 per share were issued as consideration for consultancy services provided in relation to the reverse acquisition of the Company by Livelynk Group Pty Ltd.
- On 29 June 2015, 500,000 unlisted options with an expiry date of 29 June 2018 and an exercise price of $0.50 per option were issued as consideration for consultancy services provided in relation to the reverse acquisition of the Company by Livelynk Group Pty Ltd.

8. RESTRICTED CASH

	Consolidated 2016 $	Consolidated 2015 $
Unsuccessful applications for shares offered under a prospectus[1]	-	37,500

[1] refunded subsequent to balance date.

9. TRADE AND OTHER RECEIVABLES (CURRENT)

	Note	Consolidated 2016 $	Consolidated 2015 $
Trade receivables	(a)	**3,709,477**	3,780,379
Accrued revenue		**427,246**	103,435
Other loans		**-**	194,514
Prepayments		**122,388**	7,037
Deposits		**7,871**	7,520
Research and development grant receivable		**187,954**	-
Other receivables	(b)	**7,562**	100
GST receivables		**66,237**	86,255
		4,528,735	4,179,240

As at 30 June, the ageing analysis of trade receivables, net of impairment loss is as follows:

	Total $	< 30 days $	Past due but not impaired 30-60 days $	61-90 days $	> 90 days $
2016	**3,709,477**	**3,249,392**	**292,466**	**129,956**	**37,663**
2015	3,780,379	3,491,028	250,283	27,086	11,982

The balance of trade receivables that are considered impaired at balance date and have been provided for are set out below:

	$
2016	**515,784**
2015	229,698

See Note 19 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

(a) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group's impairment and other accounting policies for trade and other receivables are outlined in Note 2(f).

9. TRADE AND OTHER RECEIVABLES (CURRENT) (continued)

(a) Classification as trade and other receivables (continued)

The balance of trade receivables is after provision for doubtful debts. The movement in the balance of this provision is as follows:

	Consolidated 2016 $	2015 $
Balance at the beginning of financial year	**229,698**	-
Amounts provided for during the year	**1,914,261**	229,698
Amounts written off to bad debts	**(1,598,181)**	-
Amounts collected during the year	**(35,725)**	-
Impact of foreign exchange	**5,731**	-
Balance at the end of financial year	**515,784**	229,698

(b) Sundry receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

(c) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value. The fair values of non-current receivables are generally not significantly different to their carrying amounts.

(d) Impairment and risk exposure

Information about the impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 19.

10. PLANT AND EQUIPMENT

	Consolidated 2016				
	Leasehold improvements	**Computer Equipment $**	**Office Equipment $**	**Software & Hardware $**	**Total $**
Cost	54,811	51,559	150,310	17,221	273,901
Accumulated depreciation	-	(31,071)	(50,524)	(17,071)	(98,666)
Carrying amount at 30 June	**54,811**	**20,488**	**99,786**	**150**	**175,235**
Reconciliation					
Carrying amount at 1 July	-	13,076	85,731	6,140	104,947
Additions	54,811	19,904	33,558	-	108,273
Acquisition of subsidiary	-	-	8,044	-	8,044
Disposals	-	-	(2,960)	-	(2,960)
Impact of foreign exchange	-	-	6,544	420	6,964
Plant and equipment written off	-	(2,563)	(10,629)	-	(13,192)
Depreciation	-	(9,929)	(20,502)	(6,410)	(36,841)
Carrying amount at 30 June	**54,811**	**20,488**	**99,786**	**150**	**175,235**

10. PLANT AND EQUIPMENT (continued)

	Consolidated 2015			
	Computer Equipment	**Office Equipment**	**Software & Hardware**	**Total**
	$	**$**	**$**	**$**
Cost	79,023	125,910	36,271	241,204
Accumulated depreciation	(65,947)	(40,179)	(30,131)	(136,257)
Carrying amount at 30 June	13,076	85,731	6,140	104,947
Reconciliation				
Carrying amount at 1 July	20,562	72,414	8,432	101,408
Additions	2,143	32,066	4,260	38,469
Disposals	-	(10,441)	(341)	(10,782)
Impact of foreign exchange	-	1,849	-	1,849
Depreciation	(9,629)	(10,157)	(6,211)	(25,997)
Carrying amount at 30 June	13,076	85,731	6,140	104,947

Refer to Note 2(d) for further details on the Group's accounting policies for plant and equipment.

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2016	**2015**
	$	**$**
Trade payables	**1,199,897**	1,418,166
Statutory liabilities	**135,202**	72,062
Deferred consideration (refer Note 16(a))	**27,279**	-
Commission payable	**257,424**	-
Prepayments received from advertisers	**121,687**	-
Other payables	**94,031**	323,631
	1,835,520	1,813,859

a) Trade payables and other payables are non-interest bearing and are unsecured. Balances are usually settled within 30 days of recognition.

b) The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

12. PROVISIONS

	Consolidated	
	2016	**2015**
	$	**$**
CURRENT		
Employee benefits (note a)	**150,982**	121,951
Income tax (note b)	**249,441**	778,768
	400,423	900,719
NON-CURRENT		
Employee benefits (note a)	**75,294**	63,837
	75,294	63,837

12. PROVISIONS (continued)

(a) Employee benefits

The current provision for employee benefits relates to the Group's liability for annual leave. The non-current provision for employee benefits relates to the Group's liability for long service leave.

Movement in the provisions for employee benefits is as follows:

	Consolidated			
	2016		2015	
	Annual leave	Long service leave	Annual leave	Long service leave
	$	$	$	$
Balance at the beginning of financial year	**121,951**	**63,837**	92,574	32,286
Amounts provided for during the year	**188,178**	**11,457**	106,773	31,551
Unused leave balances paid during the year	**(16,358)**	**-**	(26,104)	-
Leave taken during the year	**(142,789)**	**-**	(51,292)	-
Balance at the end of financial year	**150,982**	**75,294**	121,951	63,837

(b) Income tax

The provision for income tax at 30 June 2015 related to the financial years ended 30 June 2012 and 30 June 2013 and included a general interest charge component. During the prior year, the Group entered into a payment arrangement with the Australian Taxation Office (**ATO**) pursuant to which the unpaid tax amount was payable in instalments. The general interest charge incurred to 30 June 2015 was accrued and formed part of the provision balance.

During the current year, the balance owing to the ATO was settled in full.

Interest is charged by the ATO at the rate of approximately 9.5% per annum.

13. INTEREST-BEARING LOANS AND BORROWINGS (CURRENT)

	Consolidated	
	2016	2015
	$	$
Debtor factoring facility (a)	**-**	652,950
	-	652,950

(a) Debtor factoring facility

During the prior year, the Group entered into a debtor factoring agreement with an unrelated party which enables the Group to receive cash receipts in advance on certain of its customer invoices which are purchased by the debtor factoring agent. A fixed fee of 1.5% of the customer invoice purchased is charged by the debtor factoring agent. In addition, where the customer invoice remains unpaid after 30 days, an additional fee of 1.5% of the invoice value is charged on a pro-rata basis for every 30 days the invoice remains unpaid.

In the event the customer invoice remains unpaid for 90 days, the Group is required to repay to the debtor factoring agent all advances received from the debtor factoring agent for that invoice plus all fees associated with that invoice.

At 30 June 2016, the debtor factoring facility had a credit limit of US$1,000,000 (2015: US$625,000). The facility had an initial 12-month term which commenced on 13 March 2015. During the current year, the term of the facility was extended by a further 12 months to 13 March 2017. The Group is not obligated to factor a minimum value of customer invoices over the life of the facility.

14. CONTRIBUTED EQUITY

(a) Issued capital

	Consolidated	
	2016	**2015**
	$	**$**
Ordinary shares, fully paid	**17,143,905**	15,390,390

(b) Movements in share capital

	2016		2015	
	Number	$	Number	$
Shares on issue at 1 July	**60,541,001**	**15,390,390**	100	100
Shares issued by Livelynk Group Pty Ltd pursuant to a subscription agreement	-	-	34	500,000
Shares issued by Livelynk Group Pty Ltd on conversion of a shareholder loan	-	-	2	849,565
Shares issued by Tech Mpire Limited as consideration for the legal acquisition of Livelynk Group Pty Ltd	-	-	10,000,000	2,500,000
Deemed reverse acquisition of Tech Mpire Limited by Livelynk Group Pty Ltd (refer to Note 16 (b))	-	-	21,041,001	7,153,940
Elimination of the acquisition of Livelynk Group Pty Ltd by Tech Mpire	-	-	(136)	(2,500,000)
Shares issued by Tech Mpire Limited on settlement of loan	-	-	4,000,000	1,000,000
Shares issued by Tech Mpire Limited pursuant to a prospectus	-	-	24,000,000	6,000,000
Shares issued by Tech Mpire Limited as consideration for consultancy services provided	-	-	1,500,000	375,000
Shares issued on exercise of options	**200,000**	**40,000**	-	-
Shares issued on conversion of Class A Performance Rights	**5,000,000**	**1,699,515**	-	-
Shares to be issued as consideration for acquisition of controlled entity (refer to Note 16 (a))	-	**14,000**	-	-
Share issue costs recognised directly in equity	-	-	-	(488,215)
Shares on issue at 30 June	**65,741,001**	**17,143,905**	60,541,001	15,390,390

The reconciliation of the movement in the number of shares on issue in the prior year reflects the fact that although Tech Mpire Limited's acquisition of Livelynk Group Pty Ltd was required to be accounted for as a reverse acquisition, the capital structure of the Group is that of the legal parent entity, being Tech Mpire Limited.

The fair value of the shares on issue has been determined in accordance with the guidance for reverse acquisitions set out in AASB 3 "Business Combinations".

(b) Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

14. CONTRIBUTED EQUITY (continued)

(c) Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2015 and 30 June 2016.

	Consolidated 2016 $	2015 $
Interest-bearing loans and borrowings (Note 13)	**-**	652,950
Trade and other payables (Note 11)	**1,835,521**	1,813,859
Less: cash and cash equivalents (Note 7)	**(5,601,353)**	(6,234,159)
Net (Debt) / Capital	**(3,765,832)**	(3,767,350)
Equity	**17,143,905**	15,390,390
Total Capital	**17,143,905**	15,390,390
Capital and net debt	**13,378,073**	11,623,040
Gearing ratio	**(28%)**	(32%)

15. RESERVES

	Consolidated 2016 $	2015 $
Share based payments reserve	**4,893,993**	2,343,054
Foreign currency translation reserve	**396,849**	143,678
Share based payments reserve		
Balance at beginning of year	**2,343,054**	-
Fair value of options transferred under reverse acquisition accounting	**-**	1,314,846
Fair value of options issued as consultancy fee	**-**	73,444
Fair value of options issued as working capital facility fee	**-**	954,764
Fair value of Class A Performance Rights recognised (refer to Note 17)	**1,699,515**	-
Fair value of Class B Performance Rights recognised (refer to Note 17)	**2,549,272**	-
Fair value of Class A Performance Rights converted into ordinary shares	**(1,699,515)**	-
Fair value of Class C Performance Rights recognised (refer to Note 17)	**1,111**	-
Fair value of Class D Performance Rights recognised (refer to Note 17)	**556**	-
Balance at end of year	**4,893,993**	2,343,054
Foreign currency translation reserve		
Balance at beginning of year	**143,678**	3,593
Foreign exchange differences arising on translation of foreign operations	**253,171**	140,085
Balance at end of year	**396,849**	143,678

Nature and purpose of reserves

Share based payments
The share based payments reserve is used to recognise the fair value of equity-settled share based payments provided to employees, consultants and other third parties.

Foreign currency
The foreign currency translation reserve is used to recognise foreign currency exchange differences arising on translation of functional currency to presentation currency for foreign operations.

16. CORPORATE TRANSACTIONS

a) Business Combination

On 1 June 2016, the Company, through its wholly owned subsidiary Livelynk Group Pty Ltd, acquired 100% of the voting shares of Appenture d.o.o., a company registered and operating in Croatia as a software development company.

The primary reason for the acquisition is the expertise acquired which will help further drive the Group's technology based competitive advantage, resulting in the ability to attract more advertising clients and partners. The goodwill arising on this acquisition reflects the fact that the Group will be able to benefit from an immediate and substantial increase in technical expertise which will accelerate the development of its technology platform, nxus®

The provisional cost of the acquisition comprised:

- Cash of $45,607 paid during the year plus $27,279 to be paid three months after acquisition date.
- 33,334 fully paid ordinary shares in the Company, which were issued 4 July 2016, valued at market value of $14,000 on grant date.

As the acquisition completed close to the year end, the acquisition accounting has been prepared on a provisional basis.

Acquisition date fair value consideration transferred:

	Fair value at acquisition date
	$
Cash paid	**45,607**
Cash payment accrued	**27,279**
Shares to be issued	**14,000**
Consideration transferred	**86,886**

The consideration includes an element equal to the fair value of net tangible assets acquired. Amendments may be made if the valuation of net tangible assets is altered. Any additional consideration is not expected to exceed $10,000.

The cash flow on acquisition is as follows:

	$
Net cash acquired with the subsidiary	**33,531**
Cash paid	**(45,607)**
Net consolidated cash outflow	**(12,076)**
Net consolidated cash outflow excludes cash payable after balance date	**(27,279)**

The provisional fair values of the identifiable assets and liabilities of Appenture d.o.o. as at the date of acquisition were as follows:

	Fair value at acquisition date
	$
Cash and cash equivalents	**33,531**
Trade and other receivables	**19,304**
Plant and equipment	**8,044**
Total assets	**60,879**
Trade and other payables	**(3,568)**
Employee benefits	**(11,880)**
Total liabilities	**(15,448)**
Provisional fair value of identifiable net assets	**45,431**
Goodwill arising on acquisition	**41,455**
Acquisition date fair value consideration transferred	**86,886**

The fair values have been determined provisionally and are based upon the best information available at the reporting date.

16. CORPORATE TRANSACTIONS (continued)

b) Reverse acquisition

In the prior year, the Company completed its acquisition of 100% of Livelynk Group Pty Ltd and its controlled entities (**Livelynk**). The acquisition of Livelynk resulted in the shareholders of Livelynk obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that the majority of the board comprised nominees of Livelynk. A nominee of Livelynk was appointed as the Managing Director, and the Livelynk management team assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 “Business Combinations”.

The application of the reverse acquisition guidance contained in AASB 3 resulted in the Company (the legal parent) being accounted for as the subsidiary and Livelynk (the legal subsidiary) being accounted for as the parent entity.

At the time the Company’s acquisition of Livelynk completed, its operations did not fall within the scope of a “business” under AASB 3. Consequently, the acquisition did not meet the definition of a “business combination” under AASB 3, and the principles of AASB 3 could not be applied in their entirety. Instead, the acquisition was accounted for as a share-based payment transaction using the principles set out in AASB 2 “Share-based Payment” whereby Livelynk was deemed to have issued shares in exchange for the net assets and listing status of the Company. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by Livelynk and the fair value of the identifiable net assets of the Company was required to be recognised as an expense.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below:

	2015 $
Deemed purchase consideration	
- Fair value of shares transferred (21,041,001 shares at $0.34 each)	7,153,941
- Fair value of unlisted options transferred (7,000,000 unlisted options at $0.19 each)	1,314,846
	8,468,787
Less: fair value of net identifiable assets acquired (see below)	(2,301,346)
Excess consideration arising on reverse acquisition	**6,167,441**

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

	2015 $
Assets	
Cash and cash equivalents	1,314,799
Trade and other receivables	36,231
Loans receivable	1,466,000
Liabilities	
Trade and other payables	515,684
Total identifiable net assets at fair value	**2,301,346**

Costs relating to the acquisition of $49,766 were incurred by the Company prior to the completion of the acquisition.

The net cash inflow arising as a result of the reverse acquisition was $1,314,799.

17. SHARE BASED PAYMENTS

a) Share based payments in existence during the year

Security	Number	Grant Date	Expiry Date	Exercise Price (cents)	Fair Value at Grant Date (cents)
Options transferred under reverse acquisition accounting[1]	7,000,000	01/10/2012	31/12/2016	20	19.00
Options	7,000,000	29/06/2015	29/06/2018	50	14.69
Class A Performance Rights	5,000,000	29/06/2015	29/12/2016	N/A	30.59
Class B Performance Rights	7,500,000	29/06/2015	29/06/2017	N/A	17.00
Class C Performance Rights	33,334	01/06/2016	01/06/2017	N/A	39.99
Class D Performance Rights	33,332	01/06/2016	01/06/2018	N/A	39.99

[1] The options were fair valued on 29 June 2015 as part of the reverse acquisition transaction. Refer to Note 16(b) for further information.

b) Options

No options were granted during the current year (2015: 7,000,000).

The fair value of options granted during the prior year was $1,028,208. The options were issued as consideration for services provided and vested on issue. Holders of options do not have any voting or dividend rights in relation to the options.

The weighted average fair value of the options granted during the prior year was $0.15. Options were valued using the Black-Scholes model and took into account the following assumptions:

Dividend yield	0.00%
Expected volatility[1]	80.00%
Risk-free interest rate	2.02%

[1] based on expected volatility of the Company's share price post completion of the reverse acquisition transaction.

No allowance was made for the effects of early exercise.

The following table illustrates the outstanding options granted, exercised and forfeited during the year.

	2016		2015	
	Number	**Weighted average exercise price (cents)**	**Number**	**Weighted average exercise price (cents)**
Outstanding at 1 July	**14,000,000**	**17.35**	-	
Options transferred under reverse acquisition accounting	**-**	**-**	7,000,000	20.00
Granted during the year	**-**	**-**	7,000,000	14.69
Options exercised during the year	**(200,000)**	**20.00**		
Outstanding as at 30 June	**13,800,000**	**17.31**	14,000,000	17.35
Subject to escrow restrictions at 30 June	**500,000**	**50.00**	7,000,000	50.00
Exercisable at 30 June[1]	**13,300,000**	**34.66**	7,000,000	20.00

No options were forfeited during the current year (2015: Nil).

The weighted average remaining contractual life for the share-based payment options outstanding as at 30 June 2016 was 1.26 years (2015: 2.25 years).

17. SHARE BASED PAYMENTS (continued)

b) Options (continued)

The range of exercise prices for share-based payment options outstanding as at the end of the year was $0.20 to $0.50 (2015: range of $0.20 to $0.50).

No options were issued to directors or other key management personnel during the current year (2015: Nil).

c) Performance Rights

Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

The fair value of performance rights granted and vested during the current year and prior year is set out below.

2016

Security	Number granted	Fair Value of performance rights granted ($)	Number vested	Share based payments expense ($)
Class A Performance Rights (note i)	-	-	5,000,000	1,699,515
Class B Performance Rights (note i)	-	-	-	2,549,272
Class C Performance Rights (note ii)	33,334	13,330	-	1,111
Class D Performance Rights (note ii)	33,332	13,330	-	556
	66,666	26,660	5,000,000	4,250,454

The weighted average fair value of the performance rights granted during the current year is $0.40 (2015: $0.22).

2015

Security	Number granted	Fair Value at Grant Date ($)	Number vested	Share based payments expense ($)
Class A Performance Rights (note i)	5,000,000	1,529,563	-	-
Class B Performance Rights (note i)	7,500,000	1,274,640	-	-
	12,500,000	2,804,203	-	-

(i) Class A and Class B Performance Rights

The Class A and Class B performance rights were issued to key management personnel as incentive awards. 74% of each of the Class A and Class B performance rights were subject to escrow restrictions on issue. During the year, the remaining 26% of each of the Class A and Class B performance rights were made subject to voluntary escrow restrictions.

The escrow restrictions are in place until 7 July 2017 and apply to the performance rights and to the ordinary shares into which they are converted.

17. SHARE BASED PAYMENTS (continued)

c) Performance Rights (continued)

(i) Class A and Class B Performance Rights (continued)

The performance rights were valued on grant date using the Black-Scholes model and taking into account the following assumptions:

	Class A	**Class B**
Dividend yield	0.00%	0.00%
Expected volatility[1]	80.00%	80.00%
Risk-free interest rate	2.02%	2.02%
Probability at 30 June 2015 of the performance milestone being achieved	90%	50%

[1] based on expected volatility of the Company's share price post completion of the reverse acquisition transaction.

The vesting conditions, milestone dates and status of the Class A and Class B performance rights are set out below:

Class	**Vesting Condition**	**Milestone Date**	**Status at 30 June 2016**
Class A performance rights	Upon the **Livelynk Group** achieving A$25,000,000 of cumulative gross revenue within 18 months after **Completion**.	On or before the date that is 18 months after **Completion** (Class A Milestone Date)	The Board of Directors confirmed that the vesting condition had been satisfied and resolved to issue 5,000,000 ordinary shares on conversion of the performance rights on 1 June 2016. At 30 June 2016, a share based payments expense for the full value of the Class A performance rights has been recognised.
Class B performance rights	Upon the **Livelynk Group** achieving cumulative net profit before tax of at least A$1,500,000 during the period from **Completion** until the date that is 24 months after **Completion**.	On or before the date that is 24 months after **Completion** (Class B Milestone Date)	As at 30 June 2016, a share based payments expense for the full value of the Class B performance rights has been recognised upon Livelynk Group achieving cumulative.net profit of at least A$1,500,000.

Livelynk Group comprises Livelynk group Pty Ltd, Mpire Media Pty Ltd and Mpire Network Inc.
Completion occurred on 29 June 2015

17. SHARE BASED PAYMENTS (continued)

c) Performance Rights (continued)

(ii) Class C and Class D Performance Rights

The Class C and Class D performance rights were issued to incentivise management of Appenture d.o.o which was acquired during the current year. These performance rights were valued on grant date using the Black-Scholes model and taking into account the following assumptions:

	Class C	**Class D**
Dividend yield	0.00%	0.00%
Expected volatility	80.00%	80.00%
Risk-free interest rate	1.68%	1.68%
Probability at 30 June 2016 of the performance milestone being achieved	100%	100%

The Class C performance rights vest on 1 June 2017 provided that, on or before that date, the holder has neither been summarily terminated by, nor has resigned as a full time employee or a non-executive director (as applicable) from, Appenture d.o.o.

The Class D performance rights vest on 1 June 2018 provided that, on or before that date, the holder has neither been summarily terminated by, nor has resigned as a full time employee or a non-executive director (as applicable) from, Appenture d.o.o.

18. ACCUMULATED LOSSES

	Consolidated	
	2016	**2015**
	$	**$**
(Accumulated losses) at the beginning of financial year	**(10,752,641)**	(421,149)
Net loss for the year	**(3,646,565)**	(10,331,492)
Accumulated losses at the end of financial year	**(14,399,206)**	(10,752,641)

19. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, interest-bearing loans and borrowings, payables and cash and cash equivalents which arise directly from its operations.

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

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk Exposures and Responses

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group generates income from interest on surplus funds.

At balance date, the Group did not have material exposure to interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The only material cash balances denominated in a foreign currency held by the Group are cash amounts that are denominated in United States Dollars (USD). A summary of the AUD equivalent of the Group's cash balances at the reporting date is as follows:

19. FINANCIAL RISK MANAGEMENT (continued)

Risk Exposures and Responses (continued)

Foreign currency risk (continued)

	Consolidated 2016	Consolidated 2015
	$	$
Cash and cash equivalents		
USD balances	**5,152,653**	650,225

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. The reasonably possible changes in AUD/USD exchange rates used below were derived by reference to the maximum movement in historical exchange rates per year over the last 10 years.

At 30 June 2016, if exchange rates had moved, as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	Post-Tax Loss (Higher)/Lower		Equity Higher/(Lower)	
	2016	2015	2016	2015
	$	$	$	$
+10%	**515,265**	65,023	**515,265**	65,023
-10%	**(515,265)**	(65,023)	**(515,265)**	(65,023)

The movements in the net loss are due to higher/lower unrealised foreign exchange gains or losses on cash balances. The sensitivity is higher in 2016 than in 2015 due to higher balances of cash and cash equivalents held at the end of the current year.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily in relation to trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the customer's financial position, past working experience with the customer (if any) and any other applicable factors. Individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and followed up accordingly.

The requirement for any impairment is analysed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and funding to ensure that the Group can meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group holds the majority of its financial assets as trade receivables with reputable customers who have had no payment issues in the past and hence, does not have any material liquidity risk at the reporting date.

All financial assets and liabilities have a maturity of less than 6 months and as such, further detailed analysis has not been provided.

The Group monitors rolling forecasts of liquidity reserves on the basis of expected cash flow.

Fair values
Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

20. COMMITMENTS AND CONTINGENCIES

(a) Operating Lease Commitments – Group as lessee
Future minimum rentals payable under non-cancellable operating leases are as follows:

	Consolidated 2016 $	2015 $
Within one year	**192,529**	193,131
After one year but not more than five years	**519,694**	296,231
More than five years	**-**	-
	712,223	489,362

(b) Property, Plant and Equipment Commitments
At balance date the Group had no contractual obligations to purchase plant and equipment (2015: nil).

(d) Contingent Liabilities
At balance date the Group had no pending legal claims or other contingent liabilities (2015: nil).

21. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Tech Mpire Limited and the entities listed in the following table.

Although reverse acquisition accounting has been applied (refer Note 16 (b)), Tech Mpire Limited is the legal parent entity of the Group.

	Country of incorporation	*% Equity interest 2016*	*2015*
Livelynk Group Pty Ltd[1]	Australia	100	100
Mpire Media Pty Ltd[2]	Australia	100	100
Mpire Network Inc.[2]	Canada	100	100
Appenture d.o.o[2]	Croatia	100	-

[1] equity interest is held directly by Tech Mpire Limited.
[2] equity interest is held directly by Livelynk Group Pty Ltd.

Transactions with related parties

Prior to the completion of the reverse acquisition transaction in the prior year, Livelynk Group Pty Ltd was controlled by Zhenya Holdings Pty Ltd. A loan had been provided to Livelynk Group Pty Ltd by Zhenya Holdings Pty Ltd, a company controlled by Mr Zhenya Tsvetnenko, a director of the Company. The loan was interest free and there were no fixed terms of repayment. During the prior year, loan amounts of $1,470,381 were received and loan repayments of $914,074 were made. On 29 June 2015, the loan balance of $849,565 was converted into equity in Livelynk Group Pty Ltd.

During the course of the 2014 and 2015 financial years, Mpire Media Pty Ltd provided funding to Irish incorporated Maroon Tech Limited (**Maroon Tech**), an entity associated with Mr Tsvetnenko. Maroon Tech provided performance based marketing services to advertisers located mainly in Europe. It had been the intention of the directors of Livelynk Group Pty Ltd (the parent entity of Mpire Media Pty Ltd) to acquire Maroon Tech and include it in the group of companies to be involved in a corporate transaction. However, Maroon Tech was unable to acquire a sufficient share of the European market. Consequently, it did not form part of the group involved in the corporate transaction with Tech Mpire. Maroon Tech has ceased trading, and is unable to repay the loan funds provided by Mpire Media Pty Ltd. As a result, the balance owing of $194,514 has been written off as a bad debt during the current year.

In the prior year, the Company entered into a consultancy agreement with Mr Wates for the provision of management services to the Company. Under this agreement, Mr Wates was entitled to fees of $25,000 per month (exclusive of GST) with effect from 1 April 2015. The consultancy arrangement with Mr Wates came to an end in July 2015.

Capri Corporate, a consultancy service provider associated with Mr Wates' spouse, was engaged by the Company in the prior year to provide financial management services to the Company and was paid a fee of $1,667 per month (exclusive of GST). The engagement of Capri Corporate came to an end in July 2015.

21. RELATED PARTY DISCLOSURES (continued)

Guarantees

There have been no guarantees provided or received for any related parties.

22. EVENTS AFTER BALANCE SHEET DATE

No event has arisen since 30 June 2016 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

23. AUDITORS' REMUNERATION

	Consolidated	
	2016	**2015**
	$	**$**
Audit or review of the financial report	**72,110**	59,375
Non-audit services provided	**52,968**	45,619
	125,078	104,994

24. LOSS PER SHARE (LPS)

Basic LPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted LPS is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares on issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Classification of securities as ordinary shares
The Company has only one category of ordinary shares included in basic loss per share.

Classification of securities as potential ordinary shares
There are currently no securities to be classified as dilutive potential ordinary shares on issue. The unlisted options and performance rights on issue are anti-dilutive because their inclusion in the calculation of the basic LPS would reduce the LPS.

	2016 Number	2015 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	**61,038,261**	8,547,082
	$	**$**
Basic loss attributable to ordinary equity holders of Tech Mpire Limited	**(3,646,565)**	(10,331,492)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

25. DIRECTORS AND EXECUTIVE DISCLOSURE

(a) Compensation of Key Management Personnel

	Consolidated	
	2016	**2015**
	$	**$**
Short-term employee benefits	**1,460,680**	999,290
Post-employment benefits	**48,964**	59,721
Other long-term benefits	**2,652**	33,548
Share based payments	**4,248,788**	-
	5,761,084	1,092,559

26. PARENT ENTITY INFORMATION

The following information relates to the legal parent entity of the Group, being Tech Mpire Limited. The information presented has been prepared using consistent accounting policies as presented in Note 2.

	As at 30 June 2016 $	As at 30 June 2015 $
Financial Position		
Assets		
Current assets	**426,455**	9,383,619
Non-current assets	**10,378,271**	2,500,000
Total assets	**10,804,726**	11,883,619
Liabilities		
Current liabilities	**484,984**	570,488
Non-current liabilities	**33,461**	-
Total liabilities	**518,445**	570,488
Net assets	**10,286,281**	11,313,131
Equity		
Contributed equity	**13,911,803**	12,158,288
Share based payment reserve	**3,579,846**	1,028,908
Accumulated losses	**(7,205,368)**	(1,874,065)
Total equity	**10,286,281**	11,313,131
Financial Performance		
Loss for the year[1]	**(5,331,303)**	(1,790,965)
Other comprehensive income	**-**	-
Total comprehensive loss	**(5,331,303)**	(1,790,965)

1 The loss for the prior year related to the period pre completion of the reverse acquisition transaction. Consequently, it was not included in the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2015.

In the directors' opinion:

(a) The financial statements and notes of Tech Mpire Limited set out on pages 19 to 57 are in accordance with the *Corporations Act 2001*, including:

 (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 (ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the financial year ended on that date, and

(b) Note 2(a)(i) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

(c) 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 has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

On behalf of the board

Luke Taylor
Director

Perth, Western Australia
Dated this 12th day of September 2016

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Independent auditor's report to the members of Tech Mpire Limited

Report on the financial report

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

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(a)(i), 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

a. the financial report of Tech Mpire Limited is in accordance with the *Corporations Act 2001*, including:

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

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a)(i).

Report on the remuneration report

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

Opinion

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

Ernst & Young

Ernst & Young

G Lotter
Partner
Perth
12 September 2016

CORPORATE GOVERNANCE

A statement outlining the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is located on the Company's website: https://www.techmpire.com/about-us/corporate-governance/

SECURITY HOLDING

The security holding information outlined below is current as at 6 September 2016.

1. Substantial shareholders

Details of the Company's substantial shareholders are outlined below:

Substantial holders	Number of shares	Number of options	Number of Class B Performance Rights	Voting interest
Zhenya Holdings Pty Ltd <Zhenya Holdings Trust>	9,900,000	-	3,600,000	15.06%
MC Management Group Pty Ltd	6,109,282	6,500,000	-	10.08%
K2 Asset Management Ltd (registered holder :HSBC Custody Nominees Australia Ltd)	4,256,157	-	-	6.47%

2. Number of holders of each class of equity security

Ordinary fully paid shares

There are 816 holders of ordinary fully paid shares.

Each shareholder is entitled to one vote per share. In accordance with the Company's constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There are 13 holders of the 13,800,000 unlisted options on issue. There are no voting rights attached to these options.

Performance Rights

There 3 holders of the 7,500,000 unlisted Class B performance rights on issue. There are no voting rights attached to these performance rights.

3. Distribution schedules

Shareholders

Spread of holders	Number of Shareholders	Number of Shares
NIL Holding	-	-
1 – 1,000	37	15,928
1,001 – 5,000	119	376,457
5,001 – 10,000	138	1,173,764
10,001 – 100,000	443	14,431,463
Over 100,000	79	49,776,723
Total on register	**816**	**65,774,335**

Option Holders

Spread of holders	Number of Option Holders	Number of Options
NIL Holding	-	-
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	1	75,000
Over 100,000	12	13,725,000
Total on register	**13**	**13,800,000**

Performance Right Holders

Spread of holders	Number of Class B Performance Rights Holders	Number of Class B Performance Rights
NIL Holding		
1 – 1,000		
1,001 – 5,000		
5,001 – 10,000		
10,001 – 100,000		
Over 100,000	3	7,500,000
Total on register	**3**	**7,500,000**

4. Restricted securities

The following fully paid ordinary shares are subject to escrow restrictions and are not quoted on ASX:

- 14,000,000 fully paid ordinary shares are escrowed until 7 July 2017 (includes 1,300,000 fully paid ordinary shares that are subject to voluntary escrow restrictions).

The following unlisted options are subject to escrow restrictions:

- 500,000 unlisted options with an exercise price of $0.50 and an expiry date of 29 June 2018 are escrowed until 7 July 2017.

The following unlisted performance rights are subject to escrow restrictions:

- 7,500,000 Class B performance rights are escrowed until 7 July 2017

5. Top 20 shareholders

	Holder name	Number	% of issued capital
1	ZHENYA HLDGS PL(ZHENYA HLDGS A/C)	9,900,000	15.05%
2	HSBC CUSTODY NOM	6,248,164	9.50%
3	MC MGNT GRP PL	5,000,000	7.60%
4	CITICORP NOM PL	3,261,625	4.96%
5	MC MGNT GRP PL(MC A/C)	1,581,676	2.40%
6	INTNL MEDIA MARKETING INC	1,300,000	1.98%
7	TAYLOR LUKE(TAYLOR FAM A/C)	1,300,000	1.98%
8	UPSKY EQUITY PL(UPSKY INV A/C)	1,272,077	1.93%
9	RECO HLDGS PL(RECO S/F A/C)	1,150,000	1.75%
10	ALEXANDER PETER + S(PA & SA S/F A/C)	1,130,000	1.72%
11	MACKINNON BARRY J + P A(BJ & PA MACKINNON)	1,109,477	1.69%
12	GIOVANNI NOM PL(GIOVANNI FAM A/C)	1,100,000	1.67%
13	H CUNNOLD PL	560,000	0.85%
14	SMAC NOM PL(SMAC INV A/C)	506,000	0.77%
15	MANDEL PL(MANDEL S/F A/C)	500,000	0.76%
16	MITCHELL BRETT + M(MITCHELL SPRING FA)	500,000	0.76%
17	CHIN KUEK WEI	478,100	0.73%
18	BEACHSWING PL(VARENNA A/C)	475,001	0.72%
19	LTL CAP PL(LTL CAP TRADING A/C)	450,000	0.68%
20	LEO BARRY PL	415,474	0.63%
	Total	**38,237,594**	**58.13%**

6. Marketable parcels

There are 62 shareholders with less than a marketable parcel of $500 based on a share price of 29 cents.

7. Use of funds raised

For the period commencing when the Company was readmitted to quotation on ASX on 7 July 2015 up to the date of this report, the Company has used the cash raised under its prospectus dated 20 May 2015 in a manner that is consistent with its business objectives as set out in the prospectus.