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DomaCom Limited

Annual Report for the period ended 30 June 2015

ABN 69 604 384 885

DOMACOM LIMITED
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DIRECTORS' REPORT
30 JUNE 2015

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the period ended 30 June 2015.

1. Directors

The names of the directors in office throughout the period and to the date of this financial report are Mr David Archbold, Mr Graeme Billings, Mr Grahame Evans, Mr Ross Laidlaw and Mr Arthur Naoumidis. The name of the company secretary in office at the end of financial year and to the date of this financial report is Ms Sophie Ioannou. Details of qualifications, experience and special responsibilities of the Directors are as follows:

Grahame D Evans – Chairman and Non-Executive Chairman
Grahame has been extensively involved with the financial services industry for over 30 years.

He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advice businesses and also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management, voted in the top 10 management schools in the Asian region. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth. He is currently an executive director of GPS Wealth. At 32, Grahame was the youngest Australian ever to be appointed to the board of an Australian life insurance company.

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

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

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

In particular he reviews and analyses corporate property portfolios.

David has a detailed understanding and experience in the domestic and international property markets. He identifies investment and development opportunities for Asian clients, and provides specialised advice to the banking sector, accounting and legal professions to maximise their client's property performance.

He was appointed to advise the South Australian Asset Management Corporation on restructuring the $4 billion property portfolio of the former State Bank of South Australia.

He was a member of the Board of the Asset Management Task Force in South Australia, responsible for overseeing the sale and upgrading of Government assets. He was also appointed to the Property Divestment Steering Committee by the South Australian Government.

From July 1995 to June 2004, David was a member of the Board of the Motor Accident Commission (formerly known as the State Government Insurance Commission) which is responsible for third party insurance and a number of government assets.

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

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

Ross A Laidlaw – Executive Director
Ross has spent over 25 years in Financial Services, and has deep and expansive experience within markets in Australasia, Europe and America.

His strength lies in the development of start-up or green field developments and driving them into fully fledged and profitable businesses. Ross was CEO of the successful Skandia Platform for over 8 years (1999 to 2008) developing it into a leading Platform that was well supported by independent financial planners.

Prior to being transferred to Skandia's European business the business had $15 billion in AUM and employed over 200 staff. Ross has held a number of directorships including the Australian businesses, Skandia's joint venture in Mainland China, Skandia's Fund Management Company in Ireland and American Skandia's Broker Dealer group.

Ross is qualified Chartered Accountant, and Fellow of the Financial Services Institute of Australasia and his key role at DomaCom is as Chief Operating Officer and Chief Financial Officer.

Sophie Ioannou - Chief Compliance and Risk Officer, Company Secretary
Sophie is a compliance and risk management professional with over 20 years of financial services experience in asset management and investment banking. Sophie specialises in supporting businesses build sustainable compliance and risk management frameworks during time of regulatory and organisational change. Sophie has served in senior executive management roles within blue chip organisations such as Goldman Sachs, JBWere and IOOF.

During her time, Sophie has implemented complex legislative changes and developed oversight programs to support key functions outsourced and offshored to external third parties (at a local and global level). Sophie has overall responsibility for the management of compliance, risk and company secretarial functions within DomaCom. She brings a modern and commercial hands on approach in compliance and risk management methodologies, sharing best practice.

2. Directors meetings

The number of Directors' meetings and the number of meetings attended by the Directors of the Company during the period from 23 February 2015 to 30 June 2015 were:

	Board of Directors		Audit Committee		Risk Management	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr David H Archbold	5	5	1	1	1	1
Mr Graeme A Billings	5	4	1	1	1	1
Mr Grahame D Evans	5	5	-	-	1	1
Mr Ross A Laidlaw	5	5	1	1	1	1
Mr Arthur Naoumidis	5	5	-	-	1	1

3. Principal activity

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

4. Operating results

The Group has incurred an operating loss of $1,060,650.

5. Distributions paid or declared

No distributions were declared or paid in the current period.

6. Review of operations and financial results

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

DomaCom Limited (formerly known as DomaCom Holdings) was incorporated on 23 February 2015 as a holding company and on 27 March 2015 combined with DomaCom Australia Limited and DomaCom Singapore Private Limited to form the DomaCom Group.

DomaCom Australia Limited, a 100% owned subsidiary, is the investment manager of the DomaCom Fund (Managed Investment Scheme) and has now been operating for approximately 18 months. The Fund is one of the first of its kind in that it allows investors to hold fractional interests in properties that are held as separate classes of units within a managed investment scheme. This is very different to a traditional property trust, where the investment manager selects the properties on their behalf, in our platform the adviser and their clients determine which property or properties they wish to invest in which meets their asset allocation and risk profile.

The DomaCom Fund is primarily targeted to advisers, accountants and other intermediaries that are working with clients holding assets in Superannuation and in particular Self-managed Superannuation Funds. This area of the Australian superannuation market is one of the fastest growing areas and now has assets approaching $600 billion as at 31 March 2015*. The total pool of Superannuation assets is now over $2 trillion*, making Australia one of the largest pension funds in the world.

The Group continues to make solid progress into its primary distribution channel Licensed Financial Advisory firms. The Group has now been approved by over 30 different Licensed Financial Planning groups, which represents over 1000 advisers in total, in relation to this the number of advisers we have now accredited are close to 200 advisers, with a further 100 to be accredited. At the time of writing the DomaCom fund now holds 9 different properties, each held within their own sub-fund on behalf of investors. A further 45 properties have been identified representing approximately $22 million in Funds under Management. During the year we obtained a Licence to operate in the Institutional market in Singapore and have now established an office in Singapore, with the objective of attracting Singaporean investors into the Managed Investment Scheme, to acquire fractional interests in Australian property.

The Group continues to work on product enhancements to our existing product and one significant area of note is new systems development work that we are doing on model portfolios. This will allow a client to have an asset allocation across multiple properties via the ease of our software application. We have also been working on new product developments and in particular our Equity Release product, that is subject to obtaining relief from the Australian Securities and Investment Committee.

*APRA March 2015 Quarterly Superannuation Performance

7. Significant Changes in State of Affairs

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

8. Post Balance Date Events

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

- The Group's Research and Development tax incentive claim has been received in August 2015 for an amount of $891,942.
- The Group has successfully raised a further $396,667 in equity through the issue of further K Class shares since the end of the financial year and up until the 25 August 2015.

- On 25 August 2015 the Group repaid $440,000 of the short term loan and accrued interest outstanding at 30 June 2015. Agreement was reached to convert the remaining $440,000 of the short term loan and accrued interest into share capital. At 25 August 2015 the application for this additional share capital was still being processed.

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

9. Future Developments

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

10. Environmental Issues

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

11. Indemnification and insurance of Officers or Auditor

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

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

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

12. Options

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

13. Proceedings on Behalf of the Group

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

14. Auditor's Independence Declaration

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

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

Arthur Naoumidis
Director

26 August 2015

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Auditor's Independence Declaration
To the Directors of DomaCom Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of DomaCom Limited for the period ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brad Taylor
Partner - Audit & Assurance

Melbourne, 26 August 2015

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 23 FEBRUARY 2015 TO 30 JUNE 2015

	Note	2015 $
Revenue and other income		
Revenue		8,633
Total revenue and other income		8,633
Expenses		
Employee benefits expenses		(659,122)
Fund Administration		(95,986)
Rent		(51,493)
Depreciation		(6,483)
Insurance		(15,765)
Advertising expenses		(132,273)
Travel expenses		(40,219)
IT and telephone expenditure		(3,601)
Professional fees		(132,379)
Finance costs		(37,699)
Director Fees		(33,584)
Other expenses		(50,069)
Total expenses		(1,258,673)
Loss before income tax		(1,250,040)
Income tax revenue	3	189,390
Loss for the period		(1,060,650)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations		1,063
Other comprehensive income for the period		1,063
Total comprehensive loss for the period		(1,059,587)

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STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE 2015

	Note	2015 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4	720,935
Receivables	5	951,095
Prepayments and other assets		98,371
TOTAL CURRENT ASSETS		1,770,401
NON-CURRENT ASSETS		
Property, plant and equipment	6	14,045
Intangible assets	7	3,996,819
TOTAL NON-CURRENT ASSETS		4,010,864
TOTAL ASSETS		5,781,265
LIABILITIES		
CURRENT LIABILITIES		
Payables	9	440,625
Provisions	10	103,959
Interest bearing liabilities	11	800,000
TOTAL CURRENT LIABILITIES		1,344,584
NON-CURRENT LIABILITIES		
Provisions	10	28,771
Deferred tax liabilities	8	1,056,200
TOTAL NON-CURRENT LIABILITIES		1,084,971
TOTAL LIABILITIES		2,429,555
NET ASSETS		3,351,710
EQUITY		
Issued capital	12	8,838,435
Reserves	13	250,663
Accumulated losses		(5,737,388)
TOTAL EQUITY		3,351,710

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STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 23 FEBRUARY 2015 TO 30 JUNE 2015

	Note	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		6,516
Payments to suppliers and employees		(1,185,655)
Net cash used in operating activities		(1,179,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment		(13,869)
Payments for intangible assets		(353,938)
Net cash used in investing activities		(367,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue		207,977
Proceeds from short term loans		800,000
Net cash provided by financing activities		1,007,977
Net decrease in cash and cash equivalents		(538,969)
Cash and cash equivalents at date of group reorganisation		1,260,507
Net foreign exchange difference		(603)
Cash and cash equivalents at the end of period	4	720,935

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 23 FEBRUARY 2015 TO 30 30 JUNE 2015

	Issued Capital	Reserves	Accumulated Losses	Total
2015	**$**	**$**	**$**	**$**
Issue of shares on business combination	8,622,050	-	-	8,622,050
Transfer reserves on business combination	-	249,600	(4,676,738)	(4,427,138)
Issue of share capital	216,385	-	-	216,385
	8,838,435	249,600	(4,676,738)	4,411,297
Transactions with owners recorded directly in equity:				
Loss for the period	-	-	(1,060,650)	(1,060,650)
Other comprehensive income	-	1,063	-	1,063
Balance at 30 June 2015	8,838,435	250,663	(5,737,388)	3,351,710

NOTE 1: GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of DomaCom Limited (the "Company") and its Controlled Entities (the "Group). DomaCom Limited (formerly known as DomaCom Holdings) was incorporated on 23 February 2015 as a holding company and on 27 March 2015 combined with DomaCom Australia Limited and DomaCom Singapore Private Limited to form the Group.

The Group has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. DomaCom Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the period ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 26 August 2015.

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

(a) Period of account

DomaCom Limited was incorporated on 23 February 2015 as a holding company and on 27 March 2015 combined with DomaCom Australia Limited and DomaCom Singapore Private Limited to form the Group. As such the period of account is for 23 February 2015 to 30 June 2015, including the results of the consolidated subsidiaries from 27 March 2015 to 30 June 2015.

(b) Overall considerations

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

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

(c) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(d) Business Combination

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

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

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

(e) Foreign currency translation

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

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

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

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

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

(f) Revenue

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) Operating expenses

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

(h) Intangible assets

Recognition of other intangible assets

Acquired intangible assets

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

Internally developed intangibles

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

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

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

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

Subsequent measurement

All intangible assets, including the internally developed software platform, are accounted for using the cost model whereby capitalised costs are amortised on a systematic basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

Any capitalised internally developed asset that is not yet complete is not amortised but is subject to impairment testing.

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

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment

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

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

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

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

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

(j) Leased assets

Operating leases

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

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

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

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

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

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

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments

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

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

Loans and receivables

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

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

Classification and subsequent measurement of financial liabilities

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

Financial Liabilities

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

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

(m) Income taxes

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

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

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

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(m) Income taxes (continued)

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

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

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

The Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

(n) Cash and cash equivalents

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

(o) Equity, reserves and dividend payments

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

Retained earnings includes all current and prior period retained profits.

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

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

(p) Employee benefits

Short-term employee benefits

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

Share-based payments

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

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(q) Provisions, contingent liabilities and contingent assets

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

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

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

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

(r) Goods and Services Tax (GST)

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

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

(s) Going Concern

As a developing business the Group has experienced a loss of $1,060,650. The Group has net working capital of $425,817.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in its continuing efforts in accessing additional sources of capital.

In particular significant matters considered by the Directors in determining that it is appropriate for the financial report to be prepared on a going concern basis include:

- The Group's Research and Development tax incentive claim has been received in August 2015 for an amount of $891,942.
- The Group has successfully raised a further $396,667 in equity through the issue of further K Class shares since the end of the financial year and up until the 25 August 2015.
- On 25 August 2015 the Group repaid $440,000 of the short term loan and accrued interest outstanding at 30 June 2015. Agreement was reached to convert the remaining $440,000 of the short term loan and accrued interest into share capital. At 25 August 2015 the application for this additional share capital was still being processed.
- Discussions are continuing with several institutions in terms of becoming a cornerstone investor.

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

NOTE 2: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(s) Going Concern (continued)

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

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

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

Significant management judgments

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

Capitalisation of internally developed software platform

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

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Group reorganisation

DomaCom Limited was incorporated to be the new parent of the existing DomaCom Australia Limited group. This was achieved on 27 March 2015 by DomaCom Limited issuing shares to the shareholders of DomaCom Australia Limited in consideration for 100% of the shares in that company.

This is not a reverse acquisition or a normal business combination as defined in AASB 3 Business Combinations. Rather, it is a restructure in which shareholders have the same interests in the group's net assets as before the transaction.

There is no specific guidance in Australian Accounting Standards. The consolidated financial statements have been prepared using the existing book values of assets and liabilities in DomaCom Australia Limited and its results and cash flows from the date of the restructure.

	Note	23 February 2015 to 30 June 2015 $
NOTE 3: INCOME TAX REVENUE		
Loss before income tax		(1,250,040)
Prima facie tax on loss before income tax at 30%		375,012
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible research and development expenses		(191,423)
Other non-deductible expenses		(520)
Research and development tax offset received		287,135
Effect of different tax rate of subsidiary in other jurisdiction		(10,254)
Current year income tax losses not brought to account		(262,153)
Effect of tax offsets not recognised for deferred tax		(8,407)
Income tax revenue		189,390
Components of tax revenue		
Research and development tax offset received		287,135
Temporary differences		(97,745)
		189,390

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	186,483
Cash on deposit	534,452
	720,935

Cash carries a weighted average effective interest rate of 1.9%.

NOTE 5: RECEIVABLES

CURRENT

Amount receivable from R&D taxation rebate	891,942
Other debtors	59,153
	951,095

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

The Group reviews all receivables for impairment. Any receivables which are doubtful have been provided for. Based on past experience all receivables where no impairment has been recognised are not considered to be impaired. No other class of financial asset are past due.

	Note	2015
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		**$**
Furniture & fittings		9,677
Less: Accumulated depreciation		(5,419)
Total furniture & fittings		4,258
Plant and office equipment, at cost		4,241
Less: Accumulated depreciation		(1,812)
		2,429
Computer Equipment, at cost		8,852
Less: Accumulated depreciation		(1,494)
		7,358
Total Property, Plant and Equipment		14,045

NOTE 7: INTANGIBLE ASSETS

Software platform at cost	3,939,285
Computer software at cost	71,320
Less: Accumulated depreciation	(13,786)
	57,534
	3,996,819

NOTE 8: DEFERRED TAX ASSETS/(LIABILITIES)

NON CURRENT	
Employee entitlements and other accruals	91,689
Share issue and restructure costs deductible over 5 years	33,896
Research and development tax offset	(1,181,785)
	(1,056,200)

Deferred tax assets of $1,472,835 for unused tax losses and $8,407 for equity raising costs have not been recognised due to uncertainty over future taxable profits in the respective tax entities.

NOTE 9: PAYABLES

CURRENT	
Trade creditors	333,216
Sundry creditors and other accruals	107,409
	440,625

Payables are non-interest bearing.

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

	Note	2015
NOTE 10: PROVISIONS		**$**
CURRENT:		
Employee entitlements		**103,959**
NON-CURRENT		
Employee entitlements		**28,771**

NOTE 11: INTEREST BEARING LIABILITIES

CURRENT:	
Short term loans	**800,000**

The short term loan is interest bearing at 10% per quarter. The Company has agreed and is in the process of settling the conversion of $400,000 of the short term loan and accrued interest outstanding at 30 June 2015 into share capital. The remaining $400,000 of the short term loan and accrued interest has been repaid.

		2015
NOTE 12: ISSUED CAPITAL		**$**
Ordinary shares fully paid	(a)	**50**
K shares fully paid	(b)	**8,838,385**
		8,838,435

(a) Ordinary shares

	No.	$
2015		
Ordinary shares fully paid issued during the period	**25,000,000**	**50**
Closing balance as at 30 June 2015	**25,000,000**	**50**

Ordinary shares participate in dividends; however they participate in the proceeds on winding up of the Group behind K shareholders in proportion to the number of ordinary shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

(b) K shares

	No.	$
2015		
K shares fully paid issued during the period	**58,667,862**	**8,858,001**
Share issue cost	**-**	**(19,916)**
Closing balance as at 30 June 2015	**58,667,862**	**8,838,385**

K shares participate in dividends; however they participate in the proceeds on winding up of the Group ahead of ordinary shareholders in proportion to the number of K shares held. At the shareholders meetings, each K share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

NOTE 12: ISSUED CAPITAL (CONTINUED)

(b) K shares (continued)

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

	2015
	$
Deferred debit balance of franking account at the beginning of the reporting period	-
Deferred debt balance at date of Group reorganisation	1,566,022
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	891,942
Balance of franking account adjusted for deferred debits arising from past R&D offsets received and expected R&D tax offset to be received for the current year	2,457,964

NOTE 13: RESERVES

Share based payment reserve	249,600
Foreign currency translation reserve	1,063
	250,663

	Share based payment reserve	Foreign currency translation reserve
	$	$
Transfer from business combination with DomaCom Australia Limited	249,600	-
Translation of foreign operation net assets and results	-	1,063
Closing balance as at 30 June 2015	249,600	1,063

Share based payment reserve is used to recognise the grant date fair value of shares issued to employees by the Group or Shareholders. Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency reserve.

NOTE 14: RELATED PARTY TRANSACTIONS

Key management personnel compensation	157,500

NOTE 15: GROUP REORGANISATION

DomaCom Limited (formerly known as DomaCom Holdings) was incorporated on 23 February 2015 as a holding company and on 27 March 2015 combined with DomaCom Australia Limited and DomaCom Singapore Private Limited to form the DomaCom Group.

On 27 March the Ordinary and K-Class shares in DomaCom Australia Limited were transferred to DomaCom Limited. The Ordinary and K-Class shareholders of DomaCom Australia Limited received Ordinary and K-Class shares in DomaCom Limited in proportion to their holdings in DomaCom Australia Limited. The transaction was carried out for restructuring purposes only and did not result in a change in the proportion, quantity or category of shareholdings held by the shareholders that previously owned shares in DomaCom Australia Limited. As a result of the transaction DomaCom Australia Limited is consolidated by DomaCom Limited at 30 June 2015.

Consideration Transferred	$
Ordinary shares fully paid	50
K shares fully paid	8,622,050
	8,622,100

Assets acquired and liabilities assumed at date of combination	
Cash and cash equivalents	1,220,012
Receivables	672,098
Prepayments	68,405
	1,960,515
Property, plant and equipment	19,796
Investment in subsidiary	1
Intercompany Singapore receivable	139,763
Intangible assets	3,629,744
	3,789,304
Total Assets	5,749,819
Payables	362,294
Provisions - current	109,705
	471,999
Deferred tax liabilities	966,862
Provisions - non-current	22,791
	989,653
Total Liabilities	1,461,652
Net Assets	4,288,167

At the date of transfer the investment in the DomaCom Singapore Private Limited ("DomaCom Singapore") was held at cost of $1 in DomaCom Australia Limited. At the date of transfer DomaCom Singapore had net assets of $92,451, including cash of $40,495 and accumulated losses of $93,255. The combination did not result in a net inflow or out flow of cash from the Group.

NOTE 15: GROUP REORGANISATION (CONTINUED)

DomaCom Singapore

DomaCom Singapore Private Limited ("DomaCom Singapore") was incorporated in Singapore on 7 November 2014 with DomaCom Australia Limited holding 100% of the ordinary share capital representing a contribution of $1. As part of a group restructure DomaCom Singapore was transferred to DomaCom Limited on 9 June 2015 for consideration of $1. DomaCom Singapore is consolidated into the DomaCom Group at 30 June 2015.

Consideration Transferred

	$
Cash and cash equivalents	1

Assets acquired and liabilities assumed at date of transfer

Cash and cash equivalents	64,181
Prepayments	23,365
Current Assets	87,546
Property, plant and equipment	525
Non-current assets	525
Intercompany payable	239,763
Current liabilities	239,763
Net Assets/(Liabilities)	(151,692)

The reorganisation did not result in a net inflow or outflow of cash from the Group.

NOTE 16: INTERESTS IN SUBSIDIARIES

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

NOTE 17: COMMITMENTS

Operating lease commitments:	
No later than 12 months	**204,736**
Between 12 months and 5 years	**16,158**
Greater than 5 years	**-**
Minimum lease payments	**220,894**

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

NOTE 18: CONTINGENT LIABILITIES

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

NOTE 19: PARENT ENTITY INFORMATION

Information relating to DomaCom Limited (the "Parent Entity"):

Current Assets	**65,000**
Total Assets	**9,879,628**
Current Liabilities	**800,000**
Total Liabilities	**800,000**
Net Assets	**9,079,628**
Issued Capital	**8,838,435**
Share Based Payment Reserve	**249,600**
Retained Earnings	**(8,407)**
Total Equity	**9,079,628**

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the period end.

NOTE 20: SUBSEQUENT EVENTS

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

- The Group's Research and Development tax incentive claim has been received in August 2015 for an amount of $891,942.
- The Group has successfully raised a further $396,667 in equity through the issue of further K Class shares since the end of the financial year and up until the 25 August 2015.
- On 25 August 2015 the Group repaid $440,000 of the short term loan and accrued interest outstanding at 30 June 2015. Agreement was reached to convert the remaining $440,000 of the short term loan and accrued interest into share capital. At 25 August 2015 the application for this additional share capital was still being processed.

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

NOTE 21: COMPANY DETAILS

The registered office and the principal place of business of the Company is:
Level 6
99 Queen Street
Melbourne, VIC 3000

DOMACOM LIMITED
ABN 69 604 384 885

DIRECTORS' DECLARATION

In the opinion of the directors of DomaCom Limited

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

- i giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial period ended on that date; and

- ii complying with Australian Accounting Standards - Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

Signed in accordance with a resolution of the directors:

Arthur Naoumidis
Director

Dated the 26th of August 2015

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Independent Auditor's Report
To the Members of DomaCom Limited

We have audited the accompanying financial report of DomaCom Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period 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 period's end or from time to time during the financial period.

Directors' responsibility for the financial report

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

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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's opinion

In our opinion the financial report of DomaCom Limited is in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

b complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Regulations 2001.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(s) of the financial report which indicates uncertainties regarding the going concern assumption. The conditions outlined in Note 2(s) indicate the need to obtain additional capital to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brad Taylor
Partner - Audit & Assurance

Melbourne, 26 August 2015