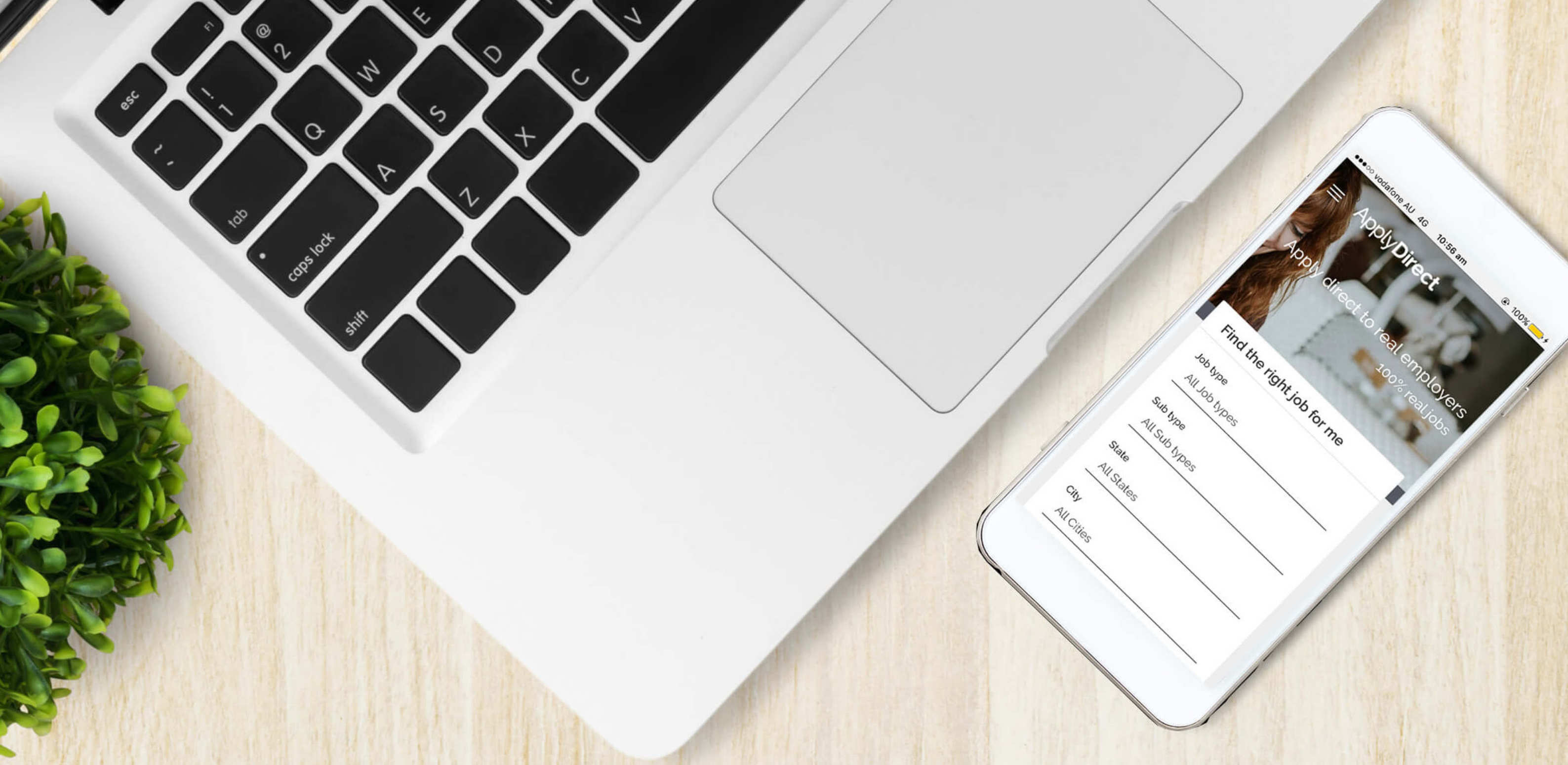

ApplyDirect

Annual report for the year ended 30 June 2017

ABN 29 123 129 162

Letter from the Chairman and CEO	3
Directors' report	5
Auditor's independence declaration	15
Corporate governance statement	16
Financial statements	
Statement of profit or loss and other comprehensive income	20
Statement of financial position	21
Statement of changes in equity	22
Statement of cash flows	23
Notes to the financial statements	24
Directors' declaration	44
Independent auditor's report	45
Shareholder information	49
Corporate directory	51

Letter from the Chairman and CEO

Dear Shareholder

Introduction

On behalf of the Board of ApplyDirect Limited (**ApplyDirect** or **the Company**) we are delighted to present to you our 2017 Annual Report following the Company's first full year as an ASX listed business.

In just over a year since the Company's IPO in June 2016, ApplyDirect has enhanced its position as an innovative recruitment technology and digital marketing business, bringing employers and candidates together directly, without the need for intermediaries such as external recruiters and job boards.

Our primary focus in FY2017 was the prudential investment of funds raised in the IPO to build our business capability and to further develop our portfolio of service offerings. We have made good progress in both areas during the year.

The commencement of our CEO, Lorcan Barden, in September 2016, was the first step in the process of building capability. Lorcan has brought a wealth of experience to the business and has led the Company through this critical period as we build scale and extend our market penetration.

The important enhancements and extensions to the ApplyDirect suite of products and services over the past year have been informed by both feedback from our valued customers and emerging industry trends. The Company's investment in its sales and marketing capability has enabled this development.

The key factors that determine the success of a candidate attraction strategy include: ability to access employer vacancies directly; prominence of the employer's brand; and ease of the application process. These themes are at the very core of ApplyDirect, as it puts both the candidate and the employer front and centre in the recruitment process. This makes us unique and that is resonating in the market.

Specifically, we now have a comprehensive range of offerings for each of the government, institutional corporate, medium enterprise, and small enterprise customer segments. The tailoring of our solutions relative to the characteristics of such segments significantly enhances ApplyDirect's differentiation and relevance.

In continuing to shape our products and services we have also had regard to broader industry themes, and in particular, how we see the recruitment technology and digital marketing environments evolving. One such factor is the increasing importance of Google. Google already plays an important role in online recruitment, with the significant majority of job seekers using its search engine as the first step towards finding a job. We expect this importance to increase significantly, as Google ranks employer jobs (original content) ahead of that duplicated by intermediaries. Importantly, ApplyDirect is uniquely positioned to enable employers to both navigate and maximise this opportunity.

2017 Priorities

The 2017 financial year also saw ApplyDirect make significant progress towards the strategic objectives that were announced in November 2016:

1. Build scale and relevance in a select number of industry verticals
2. Engage channel partners to build leverage into sales and marketing initiatives
3. Align and focus brand strategy with select industry verticals
4. Become the industry standard for candidate experience

The healthcare and government verticals were the primary focus in FY2017 and during FY2018 the Company's focus will be expanded to include the retail and professional services verticals.

In order to accelerate penetration in the healthcare sector we selected the Mercury Group of Companies (the leading workforce management software provider in the healthcare sector) as our strategic partner. Establishing the relationship with Mercury in November 2016 was a very important contributor to ApplyDirect's success during the year.

The relationship helped to position us to quickly penetrate the highly attractive healthcare sector and is consistent with our strategy of aligning with highly credentialed and well established partners to deliver high value solutions to clients. The partnership with Mercury was an important factor in the successful launch of the healthcare focused platform HealthBuzz in the middle of the year which has led to over 1.5 million candidate visits and resulted in approximately 17 million job searches in just over 6 months. HealthBuzz now represents a key digital channel in attracting candidates directly to the employer application process. Equally, the traffic volume on this platform is underpinning the success of our media product.

Another new product, the integrated talent acquisition solution, was launched in June. The integrated solution represents a significant new opportunity for ApplyDirect targeting the thousands of employers with over 500 employees that currently have limited investment in HR systems and largely manual recruitment processes. The early response from employers has been very exciting with the majority of new customers having signed up to three-year agreements.

In the government sector, we have been a long-term partner of the NSW Government and the new three-year agreement that was negotiated during the year reflects both the strengthening of that relationship and the confidence that the NSW Government has in ApplyDirect and its broader service offering. The scope of services under this new agreement has been expanded to include digital marketing, which complements the proprietary ApplyDirect technology both in attracting job seekers to, and in engaging candidates on, the iworkfornsw platform developed by ApplyDirect.

Our relationship with the NSW Government has been an outstanding case study on ApplyDirect's capability to deliver innovative and value creating recruitment solutions and we will continue to leverage that experience to pursue opportunities with other large employers.

Financial year 2017

Revenue increased by 18.7% during 2017 to $1.1 million, and the net loss for the year was just under $4.5 million (compared to a net loss of $3.5 million in 2016). The growth in expenses during the year was expected and reflects the significant capability build in the business during 2017.

The cash balance at 30 June 2017 was $3.2 million. Customer receipts in the June 2017 quarter were up 171% on the March 2017 quarter providing strong momentum as we enter the 2018 financial year.

Looking forward

The primary objective for ApplyDirect in FY2018 is to leverage its success over the past year in order to accelerate penetration of its chosen industry verticals and target aggressive revenue expansion. Harnessing the positive momentum from late in FY2017 will enable the Company to deliver strong and sustainable revenue growth throughout FY2018 and beyond.

The recently signed integrated solution customers currently being onboarded, and the new expanded managed services agreement with the NSW Government, will begin contributing to revenue in the first half of FY2018. We expect the integrated talent acquisition solution to be a key driver of growth in FY2018 and beyond.

We will continue to invest in expanding our business capability over the next year with a particular focus on digital marketing and solution sales. Such investments will enable ApplyDirect to sustain its differentiated position, whilst also increasing its market penetration.

Conclusion

We remain very excited about the future of ApplyDirect and the growth opportunities available to the Company. With the feedback and strong endorsement received from employers, we are confident that the range of recruitment solutions we have developed can meet the needs of employers of all sizes, and positions us strongly to take advantage of emerging trends in the online recruitment market.

Finally, we would like to thank all of the ApplyDirect staff for their passion and dedication, and you, our shareholders, for your continuing investment, support and belief in our Company.

M. D. Kay.

Michael Kay
Chairman

Lorcan Barden

Lorcan Barden
CEO

Your Directors present their report on the Company for the year ended 30 June 2017.

Directors and Company Secretary:

The following persons were Directors and Company Secretary of ApplyDirect Limited during the whole of the financial year and up to the date of this report:

Mr Michael Kay (Chairman)
Mr Bryan Petereit (Chief Technology Officer & Executive Director)
Mr Drew Ilsley (Non-Executive Director)
Mr Anthony Charles (Independent Non-Executive Director)
Mr Phillip Hains (Company Secretary)

Principal activities:

During the year the principal continuing activities of the Company consisted of providing an innovative online database and search platform that links employers and job candidates directly to live job opportunities on employer websites.

Dividends:

No dividends have been paid or declared by the Company since the beginning of the financial year. No dividends were paid for the previous financial year.

Risks related to our business:

The Company is subject to normal business risks, including but not limited to interest rate movements, labour conditions, government policies, securities market conditions, exchange rate fluctuations, and a range of other factors which are outside the control of the Board and Management.

More specific material risks of the operating sector and the Company include, but are not limited to:

Competition:	ApplyDirect operates in a competitive industry which is subject to increasing competition from companies in Australia and throughout the world, through a combination of established organisations and new entrants to the market. ApplyDirect cannot predict the timing and scale of its competitors' actions or whether new competitors will emerge in the online recruitment advertising market.
Failure to protect intellectual property:	The Company's proprietary cataloguing system and search engine is not protected through any patent or other form of registered intellectual property. ApplyDirect considers that, in practical terms, its proprietary cataloguing system and search engine are not likely to be capable of intellectual property registration. A lack of registered protection is likely to enhance the risk that ApplyDirect's intellectual property may be the subject of unauthorised disclosure or unlawfully infringed. ApplyDirect may need to incur substantial costs in monitoring, asserting or defending its intellectual property rights.
Cyber security, computer crime and privacy breaches:	Increased cyber-security threats and computer crime also pose a potential risk to the security of ApplyDirect's information technology systems, including those of contracted third party service providers, as well as the confidentiality, integrity and availability of the data stored on those systems. Any breach in information technology security systems could result in the disclosure or misuse of confidential or proprietary information, including sensitive employer, employee or investor information maintained in the ordinary course of business. Any such event could cause damage to reputation, loss of valuable information or loss of revenue and could result in large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against similar future events.
Failure to execute strategic initiatives/ operating costs and margins:	The Company's strategy involves a significant expansion of its sales, marketing and business development teams. It will involve the Company in the recruitment of additional senior management personnel and the undertaking of an extensive multi-media brand recognition and awareness campaign. The ability of ApplyDirect to achieve growth of its business is dependent on the successful implementation of the Company's growth strategies, business plans and strategic initiatives outlined in this Prospectus. An inability to successfully implement these plans and initiatives, whether wholly or partially, could adversely affect the Company's operating and financial performance.

Significant changes in the state of affairs:

The Company notes that there have been no significant changes in the state of affairs during the financial year.

Events since the end of the financial year:

No matter or circumstance has arisen since 30 June 2017 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations:

There were no likely developments in the operations of the Company that were not finalised at the date of this report.

Environmental regulation:

The Company is not affected by any significant environmental regulation in respect of its operations.

Information on directors:

Michael Kay | Chairman

Experience & Expertise:	Michael was Chief Executive Officer and Managing Director of listed salary packaging company, McMillan Shakespeare Ltd, a position he held for six years. Previously Michael had been CEO of the national insurer, AAMI, after serving in a variety of senior roles with that company. Prior to joining AAMI, Michael spent 12 years in private legal practice. Michael is a Director of Royal Automobile Club Insurance (WA), IMF Bentham Limited and Quintis Limited (formerly TFS Corporation Limited). He is a former member of the Commonwealth Consumer Affairs Advisory Council, the Administrative Law Committee of the Law Council of Australia, the Victorian Government Finance Industry Council and the Committee for Melbourne. Michael holds a Bachelor of Laws from the University of Sydney.
Current or Former Directorships held in other listed entities within the last 3 years:	McMillan Shakespeare Ltd (to 30/09/2014) Quintis Ltd (Formerly TFS Corporation Ltd) (current) IMF Bentham Ltd (current) Lovisa Holdings Ltd (current)
Interests in shares and options:	2,000,000 ordinary shares 15,500,000 options over ordinary shares

Bryan Petereit | Chief Technology Officer & Executive Director

Experience & Expertise:	Bryan is the founder and Chief Technology Officer of ApplyDirect. Bryan commenced his working career with IBM Australia. Subsequently, he worked in the IT sector in management roles with Ferntree Computer Corporation and, following its acquisition, with the IT division of GE Capital. Prior to his current role at ApplyDirect, Bryan commenced, ran and ultimately sold (to the Finite Group) his own IT recruitment business. Bryan holds a Master of Applied Finance from Macquarie University and a Bachelor of Science Degree, major in Computer Science.
Current or Former Directorships held in other listed entities within the last 3 years:	None
Interests in shares and options:	20,681,967 ordinary shares Nil options over ordinary shares

Drew Ilsley | Non-Executive Director

Experience & Expertise:	Drew has had an extensive career assisting growth companies achieve their corporate objectives. With thirty years' experience spanning chartered accounting, investment banking, small cap fund management and private equity, Drew has extensive experience in the areas of strategy and corporate advice. Drew successfully advised, and was a Non-Executive Director of, ASX listed managed security services provider, Securenet Ltd, which reached a market capitalisation in excess of A$1 billion before being acquired by the US listed Betrusted Inc. Drew has a Bachelor of Commerce from the University of Melbourne and was a practicing member of the Institute of Chartered Accountants for many years.
Current or Former Directorships held in other listed entities within the last 3 years:	None
Interests in shares and options:	2,001,369 ordinary shares 4,694,004 options over ordinary shares

Anthony Charles | Independent Non-Executive Director

Experience & Expertise:	Over the last 20 years Anthony has guided the communications and commercial rights strategies of some of Australia's largest brands including Cricket Australia, the AFL, NRL, MCC and many others. Most recently, Anthony was Group Managing Director, rights management, sponsorship and production at Aegis Media after being with the combined group for over 13 years. During that period Anthony started Stadia Media, Australia's largest sports advertising business, for Mitchell & Partners (now Dentsu Aegis). At Dentsu Aegis, Anthony also had responsibility for acquisition integration as well as a number of business start-ups. Anthony has wide experience and contacts in the media strategy, buying and advertising areas. Anthony has a Bachelor of Business, Marketing from Monash University.
Current or Former Directorships held in other listed entities within the last 3 years:	None
Interests in shares and options:	250,000 ordinary shares 250,000 options over ordinary shares

Meetings of Directors:

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2017, and the numbers of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration Committee	
Director	Attended	Held	Attended	Held	Attended	Held
Michael Kay	11	11	7	7	1	1
Bryan Petereit	11	11	7	7	1	1
Drew Ilsley	11	11	7	7	1	1
Anthony Charles	11	11	7	7	1	1

Remuneration report:

The Directors present the ApplyDirect Limited 2017 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The report is structured as follows:

(a) Principles used to determine the nature and amount of remuneration
(b) Details of remuneration
(c) Service agreements
(d) Share-based compensation
(e) Relationship between the remuneration policy and company performance
(f) Key management personnel disclosures

(a) Principles used to determine the nature and amount of remuneration

Remuneration governance:

Remuneration in respect of directors and executives of the Company is overseen by the Full Board of Directors of ApplyDirect Limited.

The Board of Directors of the Company will ensure that the Company has coherent remuneration policies and practices to attract, motivate and retain executives and directors who will create value for shareholders and who are appropriately skilled and diverse; observe those remuneration policies and practice; fairly and responsibly reward executives having regard to the Company and individual performance, the performance of the executives and the general external pay environment; and integrate human capital and organisational issues into its overall business strategy.

Remuneration will be reviewed on at least an annual basis with consideration given to individuals' performance and their contribution to the Company's success (against measurable key performance indicators), external market relativities, shareholders' interests and desired market positioning.

The Board will review the remuneration of executive and non-executive directors and other executives having regard to any recommendations made by the Chief Executive Officer of the Company and other external advisers.

Executive remuneration:

Executive remuneration consists of fixed remuneration, equity-based remuneration, and termination payments such as superannuation. Superannuation contributions are paid into the executive's nominated superannuation fund.

Non-executive director remuneration:

Non-executive director remuneration consists of fixed remuneration, equity-based remuneration and superannuation.

Fixed remuneration:

Executive and non-executive Directors are offered a competitive level of base pay which comprises the fixed (unrisked) component of their pay and rewards, which should be reasonable and fair; take into account the Company's legal and industrial obligations and labour market conditions; be relative to the scale of the Company's business; reflect core performance requirements and expectations; and take into account incumbent skills and experience, and the time commitment and responsibilities of the role.

Remuneration report (continued)

Variable performance-based remuneration:

The Company does not pay any variable performance-based remuneration to its directors and executives.

Equity-based remuneration:

This can include options or performance shares and is especially effective when linked to hurdles that are aligned to the company's longer-term performance objectives. It should also take into account executive performance. However, programs should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks.

Termination payments:

All directors and executives are not entitled to retirement benefits other than superannuation or those required under law.

Securities trading policy:

The trading of Company's securities by employees and directors is subject to, and conditional upon, the Policy for Trading in Company Securities which is available on the Company's website at http://www.applydirect.com.au.

(b) Details of remuneration

Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company receiving the highest remuneration. Details of the remuneration of the KMP of the Company are set out in the following tables.

The following persons held office as Directors of ApplyDirect Limited during the financial year:

Mr Michael Kay	Chairman
Mr Bryan Petereit	Chief Technology Officer & Executive Director
Mr Drew Ilsley	Non-Executive Director
Mr Anthony Charles	Independent Non-Executive Director

Other Key Management Personnel:

Mr Lorcan Barden	Chief Executive Officer (from 12 September 2016)

There are no other Key Management Personnel other than those stated above.

Remuneration report (continued)

	Short term benefits			Post-employment benefits	Long term benefits	Share based payments			
	Cash salary and fees	Bonus and non-monetary	Non-monetary	Super-annuation	Long service leave	Equity settled shares	Equity settled options	Total	% of total remuneration not related to performance
2017	$	$	$	$	$	$	$	$	
Directors									
Bryan Petereit	338,034	-	-	19,616	18,334	-	-	375,984	100%
Michael Kay	180,080	-	-	17,108	-	-	-	197,188	100%
Drew Ilsley	81,818	-	-	7,773	-	-	-	89,591	100%
Anthony Charles	88,273	-	-	-	-	-	-	88,273	100%
Other Key Management Personnel									
Lorcan Barden (appointed 12/09/2016)	301,713	-	-	16,601	510	-	306,067	624,891	100%
	989,918	-	-	**61,098**	**18,844**	-	**306,067**	**1,375,927**	**100%**

	Short term benefits			Post-employment benefits	Long term benefits	Share based payments			
	Cash salary and fees	Bonus and non-monetary	Non-monetary	Super-annuation	Long service leave	Equity settled shares	Equity settled options	Total	% of total remuneration not related to performance
2016	$	$	$	$	$	$	$	$	
Directors									
Bryan Petereit	155,114	-	-	14,736	-	-	23,333	193,183	100%
Michael Kay	3,422	-	-	-	-	-	-	3,422	100%
Drew Ilsley	47,905	-	-	-	-	100,000	23,333	171,238	100%
Anthony Charles	995	-	-	-	-	-	-	995	100%
	207,436	-	-	**14,736**	-	**100,000**	**46,666**	**368,838**	**100%**

Remuneration report (continued)

(c) Service agreements

Non-executive directors:

Name:	**Michael Kay**
Title:	Chairman
Agreement Commenced:	6 March 2015
Term of agreement:	Open
Details:	On termination, resignation, retirement or removal from office for any reason, the Director shall not be entitled to any damages for, or make any claim against the Company or its officers in relation to, loss of office and, unless expressly agreed by the Board to the contrary, no fee will be payable to the Director in respect of his retirement or any unexpired portion of the term of his appointment.

Name:	**Drew Ilsley**
Title:	Non-Executive Director
Agreement Commenced:	22 June 2011
Term of agreement:	Open
Details:	On termination, resignation, retirement or removal from office for any reason, the Director shall not be entitled to any damages for, or make any claim against the Company or its officers in relation to, loss of office and, unless expressly agreed by the Board to the contrary, no fee will be payable to the Director in respect of his retirement or any unexpired portion of the term of his appointment.

Name:	**Anthony Charles**
Title:	Independent Non-Executive Director
Agreement Commenced:	21 June 2016
Term of agreement:	Open
Details:	On termination, resignation, retirement or removal from office for any reason, the Director shall not be entitled to any damages for, or make any claim against the Company or its officers in relation to, loss of office and, unless expressly agreed by the Board to the contrary, no fee will be payable to the Director in respect of his retirement or any unexpired portion of the term of his appointment.

Executives:

Name:	**Bryan Petereit**
Title:	Chief Technology Officer & Executive Director
Agreement Commenced:	22 June 2016
Term of agreement:	Open
Details:	Termination period of notice is 12 months. In case of termination, the Company may pay the Director an amount equivalent to the remuneration package for part or all of the period of notice not given or required to be served unless the termination is a result of fraud, misconduct or other exceptions specified in the agreement.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Fees paid to Directors are reviewed annually by the Remuneration Committee. The Committee considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each Director receives a fee for being a Director of the Company.

Remuneration report (continued)

Key management personnel:

Name:	**Lorcan Barden**
Title:	Chief Executive Officer
Agreement Commenced:	12 September 2016
Term of agreement:	Open
Details:	On termination, resignation, retirement or removal from office for any reason, the CEO shall not be entitled to any damages for, or make any claim against the Company or its officers in relation to, loss of office and, unless expressly agreed by the Board to the contrary, no fee will be payable to the CEO in respect of his retirement or any unexpired portion of the term of his appointment.

(d) Share-based compensation

Issues of shares:

Details of shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	Date	No. of shares	Fair value ($)	$AUD
Bryan Petereit	-	-	-	-
Michael Kay	-	-	-	-
Drew Ilsley	-	-	-	-
Anthony Charles	-	-	-	-
Lorcan Barden (Appointed 12/09/2016)	-	-	-	-

Options:

The number of options over ordinary shares granted to and vested by Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2017 are set out below:

Name	No. of options granted during the year	No. of options granted during the prior year	No. of options vested during the year	No. of options vested during the prior year
Bryan Petereit	-	-	-	-
Michael Kay	-	-	-	15,000,000
Drew Ilsley	-	-	-	1,500,000
Anthony Charles	-	-	-	-
Lorcan Barden (Appointed 12/09/2016)	11,000,000	-	-	-

Options granted carry no dividend or voting rights.

Remuneration report (continued)

(e) Relationship between the remuneration policy and Company performance

Remuneration of Executives consists of an unrisked element (base pay) and share bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. As such, remuneration is not linked to the financial performance of the Company in the current or previous reporting periods.

Non-Executive Director's remuneration is not affected by the Company performance.

(f) Key management personnel disclosures

Shareholding:

The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Company, including their personally related parties, is set out below:

Name	Balance at the start of the year	Received as part of remuneration	Purchases	Disposals/other	Balance at the end of the year
Bryan Petereit	20,681,967	-	-	-	20,681,967
Michael Kay	1,500,000	-	-	500,000	2,000,000
Drew Ilsley	2,001,369	-	-	-	2,001,369
Anthony Charles	250,000	-	-	-	250,000
Lorcan Barden (Appointed 12/09/2016)	-	-	-	-	-

Option holding:

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Company, including their personally related parties, is set out below:

Name	Balance at the start of the year	Granted as remuneration	Exercised	Expired, forfeited and other	Balance at the end of the year
Bryan Petereit	-	-	-	-	-
Michael Kay	15,000,000	-	-	500,000	15,500,000
Drew Ilsley	4,694,004	-	-	-	4,694,004
Anthony Charles	250,000	-	-	-	250,000
Lorcan Barden (Appointed 12/09/2016)	-	11,000,000	-	-	11,000,000

Other transactions with Key Management Personnel:

There were no other transactions with Key Management Personnel during the period not disclosed above.

End of remuneration report

Insurance of officers and indemnities:

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Company:

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services:

Details of the amounts paid or payable to the current and previous auditors for non-audit services provided during the year are set out below.

	Year ended 2017 $	Year ended 2016 $
Other assurance services	-	-
Total remuneration for other assurance services	-	-
Other services	-	-
Previous auditor	-	164,384
Current auditor	-	-
Total remuneration for other services	-	**164,384**
Total remuneration for non-audit services	-	**164,384**

Auditor's independence declaration:

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

This report is made in accordance with a resolution of Directors.

Mr Michael Kay

Chairman

Date: 27 September 2017

Grant Thornton

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of ApplyDirect Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of ApplyDirect Limited for the year ended 30 June 2017, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Simon Trivett

S C Trivett
Partner - Audit & Assurance

Melbourne, 27 September 2017

Corporate governance

The Board is responsible for the overall corporate governance of ApplyDirect Limited ("ApplyDirect" or the "Company"). The Board monitors the operational and financial position and performance of ApplyDirect and oversees its business strategy, including approving the strategic goals of the Company and considering and approving a business plan and an annual budget.

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of ApplyDirect. In conducting ApplyDirect's business, the Board will seek to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that ApplyDirect and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing ApplyDirect, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for ApplyDirect's business and which are designed to promote the responsible management and conduct of ApplyDirect.

The ASX Recommendations articulate a number of core principles and associated recommendations that the ASX Corporate Governance Council believes underlie good corporate governance.

The Board endorses generally the ASX Recommendations and has considered the ASX Recommendations in determining an appropriate system of control and accountability, commensurate with these guidelines, to best fit its business and operations.

The Company will seek to follow the ASX Recommendations and, as required under the ASX Listing Rules, where the Company determines it would be inappropriate to follow the ASX Recommendations because of its circumstances (including as identified below), the Company will provide reasons for not doing so.

The Board intends to regularly review its corporate governance procedures and their appropriateness. The Company's corporate governance policies and procedures are available on the Company's website.

Principle 1: Lay solid foundations for management and oversight

Board Charter

The Board has adopted a written Charter to clarify the roles and responsibilities of Board members. This Charter addresses:

- the Board's composition
- the Board's role and responsibilities
- the relationship and interaction between the Board and Management
- the manner in which the Board monitors its own performance

The role of the Board is to identify the expectations of Shareholders and the ethical and regulatory obligations of the Company.

The Board Charter formalises the functions and responsibilities of the Board. The Board is ultimately responsible for all matters relating to the running of the Company.

The responsibilities of the Board include:

a) formulation, review and approval of the objectives and strategic direction of the Company;
b) reviewing, monitoring and approving any related party transaction;
c) monitoring the financial performance of the Company by reviewing and approving budgets and results;
d) approving all significant business transactions including acquisitions, divestments and capital expenditure;
e) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
f) review of performance and remuneration of Directors;
g) review of performance and remuneration of the CEO; and
h) the establishment and maintenance of appropriate corporate governance and ethical standards.

The Board has procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

Responsibility for the operation and administration of the Company is delegated by the Board to the CEO and the Senior Executives. The Board must ensure that the CEO and Senior Executives are appropriately qualified and experienced to discharge their responsibilities. The performance of the CEO and Senior Executives is assessed annually with reference to agreed milestones.

The Board intends to perform a strategic review of the Company and its business at regular intervals, considering the performance of both itself and individual Directors. This review will be carried out by the Board as a whole, with reference to Company strategy and previously agreed milestones.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a Director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of Director. The Company will provide relevant information to Shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a Non-Executive Director and Executive Director are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Company is committed, where practical, to increasing diversity amongst its employees, not just gender diversity. Our workforce is employed based on the right person for the right job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.

Executive and board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when practical and appropriate to do so.

The Company has not set any gender specific diversity objectives as it believes that all categories of diversity are equally as important within its organisation.

The Company's diversity gender as at 30 June 2017 is detailed below:

- Women on the Board: 0 of 4 (0%)
- Women in Senior Executive positions: 0 of 3 (0%)
- Women in the organisation: 7 of 14 (50%)

Encourage Enhanced Performance

The performance of the Board, individual Directors and Executive Officers of the Company is monitored and evaluated by the Board. The Board is responsible for conducting evaluations on a regular basis in line with these policy guidelines.

During the year 2017, the Board has conducted evaluations of the management teams and other members of the organisation at the monthly Director meetings.

During the year, all Directors have full access to all Company records and receive Financial and Operational Reports at each Board Meeting.

Principle 2: Structure the Board to add value

Board Structure

The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties and being of value to the Company.

The names of the Directors, their independence, qualifications and experience are stated in the Company's Annual Report along with the term of office held by each.

Having regard to the indicators of independence set out in Principle 2.3 of the ASX Recommendations, the Board considers an independent Director to be a Non-Executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. The Board currently consists of four members of which one is considered to meet the independence guidelines set out in the ASX recommendations.

The Board considers that Mr Anthony Charles is an Independent Director for the purpose of the ASX Recommendations as he is free from any interest, position, association or relationship that could materially interfere with or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

According to the ASX's recommendations, neither Mr Michael Kay (Chairman), Mr Drew Ilsley (Non-Executive Director) nor Mr Bryan Petereit (Executive Director) is considered as Independent Director by virtue of (i) their recent or current executive roles in the Company or (ii) their involvement in advising the Company on its strategic direction and fund raising.

Despite Mr Michael Kay's recent short term executive position with the Company, which makes him non independent according to the ASX Recommendations, the Company believes that Mr Michael Kay's wealth of experience and knowledge make him the most suitable person to occupy the position of Chairman of the Company at this time. The Company will appoint additional non-executive Directors to the Board in the future when it is appropriate to do so.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Directors' duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

A new director induction program is in place and Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

Code of Conduct

The Company's Code of Conduct addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. The policy outlines its requirements with respect to:

- relationships
- compliance with laws and ethics
- conflicts of interest
- confidentiality
- use of Company assets

Principle 4: Safeguard integrity in corporate reporting

Audit and Risk Committee

The Board has established an Audit and Risk Committee, which operates under a Charter approved by the Board. The Audit and Risk Committee comprises all Board members (other than the Managing Director). The Board has determined that the most appropriate Director to Chair the Audit and Risk Committee is Mr Drew Ilsley, who is not an Independent Director.

As members of the Board act on Board Committees, the size and the current composition of the Company's Board preclude the Company from complying with all ASX Recommendations relating to Board Committee composition.

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit and Risk Committee during the year are set out in this statement and in the Directors' Report.

For details on the number of meetings of the Audit and Risk Committee held during the year and the attendees at those meetings, refer to the Directors' report.

CEO and CFO Declarations

The CEO and CFO have provided the Board with a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Auditor

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

Principle 5: Making timely and balanced disclosure

Disclosure Policy

The Company's Disclosure Policy has been adopted with a view to ensuring that the Company complies with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The policy highlights the requirements for immediate notification, the procedure for disclosing material information, the persons responsible for disclosing information and for ensuring compliance generally by the Company with its disclosure obligations.

The Chief Executive Officer and the Company Secretary are responsible for communicating with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirement in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, Shareholders, the media and the public.

The information disclosed will be factual and presented in a clear and balanced way. The Company has prepared and issued to all senior staff a written policy document on this matter and requires strict adherence to this policy.

The Company's Disclosure Policy can be viewed on the Company's website.

Principle 6: Respect the rights of shareholders

Shareholder Communication

The Company is committed to providing current and relevant information to its Shareholders. The Board aims to ensure that Shareholders are informed of all major developments. The Shareholder Communication Policy outlines the processes and responsibilities for reports issued to Shareholders, ASX announcements, annual general meetings and the maintenance of Company specific information on the Company website.

The Company respects the rights of its Shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with Shareholders through releases to the market via ASX, the Company website, information mailed to Shareholders and the general meetings of the Company
- giving Shareholders ready access to clear and understandable information about the Company; and
- making it easy for Shareholders to participate in general meetings of the Company

The Company also makes available a telephone number and email address for Shareholders to make enquiries of the Company. These contact details are available on the "contact us" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

Principle 7: Recognise and manage risk

Audit and Risk Management Policy

The Audit and Risk Management Policy outlines the composition of the Audit and Risk Committee, its responsibilities (in respect of the financial management, reporting, audit and the risk management systems of the Company), authorities, meeting requirements and reporting procedures.

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Audit and Risk Management Committee operates pursuant to a charter which provides for risk oversight and management within the Company. This is periodically reviewed and updated. Management reports risks identified to the Committee on a periodic basis.

The Company's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

The Board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound. Audit and Risk Management Committee and the Board has reviewed the entity's risk management framework throughout the year at the monthly Director meetings.

Management reports risks identified to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable. During the reporting period, Management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Company does not have an internal audit function.

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short-, medium- or long-term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The CEO and CFO have given a statement to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and controls based on the Company's risk management policies.

Principle 8: Remunerate fairly and responsibly

Remuneration policy

The Remuneration Policy outlines the composition of the Nomination and Remuneration Committee (consisting of the full Board of Directors), its responsibilities (in respect of the structure and composition of the Board and the remuneration policies of the Company), authorities, meeting requirements and reporting procedures.

The Nomination and Remuneration Committee comprises of the full Board of the Company. Given the current structure of the Board, the Board has determined that the presence of one Independent Director on Board Committees is sufficient.

The Company is committed to remunerating its Senior Executives in a manner that is market-competitive and consistent with "Best Practice" as well as supporting the interests of Shareholders. Senior Executives may receive a remuneration package based on fixed and variable components (if determined appropriate) and determined by their position and experience. Shares and/ or Options may also be granted based on an individual's performance, with those granted to Directors subject to Shareholder approval.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance-based bonuses and do not participate in Equity Schemes of the Company without prior Shareholder approval.

Key Management Personnel remuneration is disclosed in the Remuneration Report.

Key Management Personnel or closely related parties of Key Management Personnel are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

		Year ended	
		30 June 2017	30 June 2016
Revenue	Notes	$	$
Operating revenue		694,330	628,997
Other income	3	358,038	257,625
Total income		**1,052,368**	**886,622**
Expenses			
Employee benefits expense		(2,818,656)	(897,513)
Marketing expense		(1,397,443)	(1,353,406)
Professional fees		(422,617)	(1,154,285)
Travel expenses		(63,020)	(74,618)
Administration and other expenses		(311,682)	(248,799)
Software development		(432,468)	(491,638)
Finance expenses		(86,643)	(124,153)
Total expenses		**(5,532,529)**	**(4,344,412)**
Loss before income tax		**(4,480,161)**	**(3,457,790)**
Income tax expense	4	-	-
Loss for the year		**(4,480,161)**	**(3,457,790)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(4,480,161)**	**(3,457,790)**

Loss per share attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic loss per share	15	(2.90)	(3.62)
Diluted loss per share	15	(2.90)	(3.62)

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

		Year ended	
		30 June 2017	30 June 2016
ASSETS	Notes	$	$
Current assets			
Cash and cash equivalents	5	3,209,838	7,384,118
Trade and other receivables	6	401,406	566,182
Total current assets		**3,611,244**	**7,950,300**
Non-current assets			
Property, plant and equipment	7	33,868	8,691
Other non-current assets		16,587	16,500
Total non-current assets		**50,455**	**25,191**
Total assets		**3,661,699**	**7,975,491**
LIABILITIES		$	$
Current liabilities			
Trade and other payables	8	574,395	908,573
Borrowings	9	-	1,214,020
Employee benefit obligations	10	150,926	79,029
Deferred revenue	11	113,010	91,511
Total current liabilities		**838,331**	**2,293,133**
Non-current liabilities			
Employee benefit obligations	10	2,332	47,650
Total non-current liabilities		**2,332**	**47,650**
Total liabilities		**840,663**	**2,340,783**
Net assets		**2,821,036**	**5,634,708**
EQUITY		$	$
Share capital	12(a)	16,033,935	14,655,529
Reserve	12(b)	1,836,133	1,548,050
Accumulated losses		(15,049,032)	(10,568,871)
Total equity		**2,821,036**	**5,634,708**

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

	Notes	Share capital $	Reserve $	Accumulated losses $	Total $
Balance at 1 July 2015		**5,607,414**	**1,311,620**	**(7,111,081)**	**(192,047)**
Loss for the year		-	-	(3,457,790)	(3,457,790)
Total comprehensive loss for the year		-	-	**(3,457,790)**	**(3,457,790)**
Transactions with owners in their capacity as owners:					
Shares issued	12(a)	9,600,000	-	-	9,600,000
Capital raising costs	12(a)	(551,885)	-	-	(551,885)
Share-based payment expense	12(b)	-	75,217	-	75,217
Value of conversion rights on convertible notes	12(b)	-	161,213	-	161,213
Total		9,048,115	236,430	-	9,284,545
Balance at 30 June 2016		**14,655,529**	**1,548,050**	**(10,568,871)**	**5,634,708**
Loss for the year		-	-	(4,480,161)	(4,480,161)
Total comprehensive loss for the year		-	-	**(4,480,161)**	**(4,480,161)**
Transactions with owners in their capacity as owners:					
Shares issued – conversion of convertible notes	12(a)	1,300,000	-	-	1,300,000
Shares issued – options exercised	12	78,406	(28,538)	-	49,868
Share-based payment expense	12(b)	-	316,621	-	316,621
Total		**1,378,406**	**288,083**	-	**1,666,489**
Balance at 30 June 2017		**16,033,935**	**1,836,133**	**(15,049,032)**	**2,821,036**

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

		Year ended	
		30 June 2017	30 June 2016
Cash flows from operating activities	Notes	$	$
Receipts from customers		800,156	687,868
Payments to suppliers and employees		(5,310,870)	(3,544,299)
Interest and other costs of finance paid		(4,179)	(48,920)
Other income		70,300	5,900
R&D claim		252,136	215,380
Net cash outflow from operating activities	14	**(4,192,457)**	**(2,684,071)**
Cash flows from investing activities		$	$
Payments for property, plant and equipment		(31,691)	(3,047)
Net cash outflow from investing activities		**(31,691)**	**(3,047)**
Cash flows from financing activities		$	$
Proceeds from issues of shares and other equity securities		49,868	9,450,000
Capital raising costs		-	(557,000)
Proceeds from borrowings		-	1,350,000
Repayment of borrowings		-	(250,000)
Net cash inflow from financing activities		**49,868**	**9,993,000**
Net increase (decrease) in cash and cash equivalents		**(4,174,280)**	**7,305,882**
Cash and cash equivalents at the beginning of the financial year		7,384,118	78,236
Cash and cash equivalents at end of period	5	**3,209,838**	**7,384,118**

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

1 Summary of significant accounting policies

(a) Corporate information

The financial statements cover the entity ApplyDirect Limited (the 'Company'). The Company's principle activities is providing an innovative online database and search platform that links employers and job candidates directly to live job opportunities on employer websites.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. ApplyDirect Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

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

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, except for the revaluation of certain financial instruments to fair value.

(iii) New and amended standards adopted by the company

The Company has adopted all new mandatory standards and interpretations for the current reporting period. The adoption of these standards and interpretations did not result in a material change on the reported results and position of the consolidated entity, as they did not result in any changes to the Company's existing accounting policies.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Company
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.	When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.
AASB 15 Revenue from Contracts with Customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	The entity is undertaking a detailed assessment of the impact of AASB 15. Based on the entity's preliminary assessment the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption. Expected date of adoption by the group: 1 July 2018.
AASB 16 Leases	AASB16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. This replaces AASB 117 Leases and some lease-related Interpretations. This new guidance on the application of the definition of lease and on sale and lease back accounting largely retains the existing lessor accounting. Requirements in AASB 117 requires new and different disclosures about leases.	The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes: - there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet - the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities - EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses - operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities	Mandatory for financial years commencing on or after 1 January 2019, but available for early adoption. Expected date of adoption by the group: 1 July 2019.

1 Summary of significant accounting policies (continued)

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the entity will be able to meet its liabilities as they fall due for the foreseeable future.

During the financial year the entity recorded a loss of $4,480,161 (2016: $3,457,790) and net cash outflow of $4,192,457 (2016: $2,684,071) from operating activities. These factors may indicate a degree of uncertainty in the entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In assessing the entity as a going concern, the Directors have considered the financial performance for the year ended 30 June 2017, the net current asset position of $2,772,913 including a cash balance of $3,209,838 as at 30 June 2017, contracts in progress, strength of the sales pipeline and the investment in capability with a particular focus on sales and marketing to accelerate new opportunities. Additionally, the Directors are confident based on past record that they will be able to complete an equity raising, if required, that will provide the entity with sufficient funding to further support its ongoing operations.

The Directors acknowledge that this assessment incorporates a number of assumptions and judgement, and have concluded that the range of possible outcomes considered in arriving at this assessment do not give rise to a material uncertainty casting significant doubt on the entity's ability to continue as a going concern.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars ($), which is ApplyDirect Limited'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 transactions. 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 generally recognised in profit or loss.

(e) 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 Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Revenue from services – Subscription revenue, Website Use

Timing of recognition

Revenue from subscription services is recognised on a straight line basis over the accounting period in which the services are rendered. When amounts have been received but services not delivered at balance date the amount is recognised in unearned income.

Measurement of revenue

Subscription revenue is measured based on the underlying subscription agreement.

(ii) Revenue from services – fee for one service or one-off job advertisement

Timing of recognition

Revenue from fees for one service or one-off job advertisement is recognised in the accounting period in which the services are rendered.

Measurement of revenue

Revenue is measured based on the value of fee for service or job advertisement.

1 Summary of significant accounting policies (continued)

(f) Government grants

The research and development ("R&D") tax offset ("R&D tax offset"), also known as the R&D Tax Incentive, replaced the R&D Tax Concession for research and development expenditure incurred in income years commencing on or after 1 July 2011. It provides for a 43.5% refundable tax offset for eligible R&D entities with an aggregated turnover of less than $20 million per annum that are not controlled by exempt entities ("refundable R&D credit"), or a non-refundable 38.5% tax offset for all other eligible companies.

For financial reporting purposes, the R&D tax offset can be analogised as a government grant or an income tax item. General practice is that refundable R&D credits are accounted for as government grants.

The Directors have considered AASB 112 Income Taxes ("AASB 112") and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance ("AASB 120"). Given the above the Directors have determined to recognise the R&D amount in accordance with AASB 120.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(h) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company 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.

(i) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped 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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1 Summary of significant accounting policies (continued)

(l) Property, plant and equipment

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

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts. Plant and equipment that have been contributed for no cost or for a nominal cost are valued and recognised as the fair value of the asset at the date it is acquired.

The depreciable amount of all fixed assets is recognised on a straight line basis over the asset's estimated useful life to the Company commencing from the time the asset is held ready for use. The useful life for each class of depreciable assets is:

Computer equipment	1-3 years
Plant and equipment	2-5 years
Furniture and fittings	2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(m) Intangible assets

Research costs are expensed as incurred. An intangible asset arising from the development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Development costs are capitalised only in accordance with this accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of 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 from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

(p) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are 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. The liabilities are presented as current employee benefit obligations in the statement of financial position.

1 Summary of significant accounting policies (continued)

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Share Option Plan and an employee share scheme collectively known as employee equity incentive pan ("EEIP").

Share-based compensation benefits are provided to employees via the Company's EEIP. In addition to this, other Share based payments are undertaken for certain goods and services provided to the Company.

The fair value of Options granted under the EEIP is recognised as an employee benefits expense with a corresponding increase in equity (other Share based payments are recognised in the statement of profit or loss or directly in equity depending upon goods or services received).

The total amount to be expensed is determined by reference to the fair value of the Options granted, which included any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of Options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of Options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The EEIP is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Under the EEIP, participants may be granted Shares, Options and/ or performance rights. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the EEIP or to receive any guaranteed benefits.

(r) 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.

(s) 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.

(t) Significant estimates and judgements

(i) Deferred tax assets

The Company has not recognised deferred tax assets relating to carried forward tax losses or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 and the fact the Company has not previously generated taxable income.

(ii) Intangible assets

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a project has reached a defined milestone according to an established project management model.

(iii) Share based payments

The determination of the fair value of options granted requires the utilisation of numerous variables. The fair value at grant date was determined using a binomial or Black-Scholes option pricing model.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

1 Summary of significant accounting policies (continued)

(iv) Convertible note

The Directors consider that the carrying value of the financial liability in respect of the convertible notes recognised in the statement of financial position approximates its fair value.

2 Segment information

The Company continues to operate in one segment, being the provision of an on-line database and search platform to link employers and job candidates. The segment details are therefore fully reflected in the body of the financial report.

3 Other income

The Company derives the following types of revenue:

	Year ended 30 June 2017	30 June 2016
	$	$
Research and development tax incentive	287,658	251,725
Interest income	70,380	-
Support services	-	5,900
Total other income	**358,038**	**257,625**

4 Income tax expense

Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended 30 June 2017	30 June 2016
	$	$
Loss from continuing operations before income tax expense	(4,480,161)	(3,457,790)
Tax at the Australian tax rate of 27.5% (2016 - 30.0%)	(1,232,044)	(1,037,337)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non assessable R&D rebate	(78,992)	(75,518)
Non allowable expenses	255,348	203,683
Tax losses and other timing differences for which no DTA is recognised	1,055,688	909,172
Income tax expense	-	-

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 27.5% (2016: 30%) disclosed in the table below have not been recognised given the recognition requirements of AASB 112 and the fact the Company has not previously generated taxable income.

	Year ended 30 June 2017	30 June 2016
Deferred tax assets not recognised at the reporting date	$	$
Unused tax losses	**2,933,091**	**2,048,076**

5 Cash and cash equivalents

	Year ended	
	30 June 2017	30 June 2016
	$	$
Cash at bank	3,209,838	7,384,118

6 Trade and other receivables

	Year ended	
	30 June 2017	30 June 2016
Current	$	$
Trade receivables	66,592	101,898
GST receivable	34,221	212,559
Prepayments	13,346	-
R&D tax claim receivable	287,247	251,725
Total	**401,406**	**566,182**

7 Property, plant and equipment

	Year ended	
	30 June 2017	30 June 2016
Plant and equipment	$	$
Cost or fair value	77,974	46,282
Accumulated depreciation	(44,106)	(37,591)
Total	**33,868**	**8,691**
Opening net book amount	8,691	11,927
Additions	31,691	3,046
Depreciation charge	(6,514)	(6,282)
Total	**33,868**	**8,691**

8 Trade and other payables

	Year ended	
	30 June 2017	30 June 2016
Current	$	$
Trade payables	397,324	754,956
Other payables	177,071	153,617
Total	**574,395**	**908,573**

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

9 Borrowings

	Year ended	
	30 June 2017	30 June 2016
	$	$
Convertible notes	-	1,214,020

Convertible notes

The Company issued 1,350,000 convertible notes for $1,350,000 on 10 March 2016 with no interest payable. The note conversion period ended on 21 December 2016. All convertible notes were converted into shares and options by the noteholders as detailed in Note 12(a).

Prior to the conversion period ending on 21 December 2016 the following terms applied to the convertible notes.

Conversion by the noteholder

The noteholder may elect at any time up to 21 December 2016 to convert all their notes into shares and options at a rate of 5 shares and 5 options for every note converted. The noteholder is not entitled to receive any additional payments on account for this conversion.

Redemption by the noteholder

The noteholder may elect at any time up to the end of the note exercised period to redeem some or all of their notes. On redemption the noteholder is entitled to receive the principle amount of the notes redeemed as a cash payment, without interest, and 5 options for every note held.

Failure to convert or redeem

If the noteholder does not convert or redeem their notes during the note exercise period then at the Company's election the notes will be:

- Converted and the noteholder will be entitled to be issued 5 shares and 5 options for each note converted; or
- Redeemed and the noteholder will be entitled to receive the principal amounts of the notes as a cash payment, without interest, and 5 options for every note redeemed.

	2017	2016
Movement of convertible notes	$	$
Carrying value as at the beginning of the year	1,214,020	-
Issue of convertible notes – face value	-	1,350,000
Fair value of equity component – conversion right	-	(161,213)
Redemption of convertible notes	(1,300,000)	(50,000)
Unwinding of discount	85,980	75,233
Carrying value as at the end of the year	-	**1,214,020**

Terms of options

Options issued on the conversion or redemption of convertible notes will have an exercise price of $0.25 and an expiry of 3 years from date of issue of the relevant options.

10 Employee benefit obligations

	Year ended	
	30 June 2017	30 June 2016
Current	$	$
Employee benefit obligations	150,926	79,029
Non-Current		
Employee benefit obligations	2,332	47,650
Total employee benefit obligation	**153,258**	**126,679**

Current employee benefit obligations include long service leave for staff with more than six years of tenure.

11 Deferred revenue

	Year ended	
	30 June 2017	30 June 2016
	$	$
Unearned website subscription revenue paid in advance	113,010	91,511

12 Equity

(a) Share capital

	30 June 2017	30 June 2017	30 June 2016	30 June 2016
	Shares	$	Shares	$
Ordinary shares - fully paid	**171,463,134**	16,033,935	**164,521,823**	14,655,529
Total share capital	**171,463,134**	16,033,935	**164,521,823**	14,655,529

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder 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. The ordinary shares have no par value.

12 Equity (continued)

(a) Share capital (continued)

Details	Note	Number of shares	$
Movements in ordinary shares:			
30 June 2016			
Opening balance		38,323,941	5,607,414
Shares issued	12(a)(i)	126,197,882	9,600,000
Capital raising costs		-	(551,885)
Closing balance		**164,521,823**	**14,655,529**
30 June 2017			
Opening balance		164,521,823	14,655,529
Shares issued	12(a)(i)	6,941,311	1,349,868
Transfer from reserve for value of options exercised		-	28,538
Closing balance		**171,463,134**	**16,033,935**

(i) Details of ordinary share movement in the prior year

Date	Details	Number	Issue price	Value
24 August 2015	Issue of shares to sophisticated investors	400,000	0.50	200,000
3 September 2015	Issue of shares to sophisticated investors	200,000	0.50	100,000
15 October 2015	Issue of shares to sophisticated investors	2,100,000	0.50	1,050,000
16 October 2015	Issue of shares to Directors	400,000	0.50	200,000
30 November 2015	Share split 4:1	124,271,823	-	-
18 January 2016	Share consolidation 4:1	(41,423,941)	-	-
16 June 2016	Issue of shares from convertible notes	250,000	0.20	50,000
22 June 2016	Issue of shares under IPO	40,000,000	0.20	8,000,000
		126,197,882		**9,600,000**

12 Equity (continued)

(a) Share capital (continued)

(ii) Details of ordinary share movement in the current year

Date	Details	Number	Issue price	Value
19 August 2016	Issue of shares from convertible notes	125,000	0.20	25,000
23 August 2016	Issue of shares from convertible notes	750,000	0.20	150,000
5 September 2016	Issue of shares from convertible notes	750,000	0.20	150,000
9 September 2016	Issue of shares from convertible notes	250,000	0.20	50,000
29 September 2016	Issue of shares from convertible notes	500,000	0.20	100,000
29 September 2016	Issue of shares from exercise of options	441,311	0.11	49,868
7 October 2016	Issue of shares from convertible notes	1,000,000	0.20	200,000
14 October 2016	Issue of shares from convertible notes	50,000	0.20	10,000
29 November 2016	Issue of shares from convertible notes	1,000,000	0.20	200,000
2 December 2016	Issue of shares from convertible notes	950,000	0.20	190,000
12 December 2016	Issue of shares from convertible notes	250,000	0.20	50,000
19 December 2016	Issue of shares from convertible notes	875,000	0.20	175,000
		6,941,311		**1,349,868**

(b) Reserve

	Year ended 30 June 2017	 30 June 2016
Reserve	**$**	**$**
Reserve	1,836,133	1,548,050
Movements in reserve		
Opening balance	1,548,050	1,311,620
Share based payments - relating to options issued during the current year	316,621	22,250
Share based payments - relating to options issued in prior year	-	52,967
Options exercised	(28,538)	-
Equity portion of the convertible notes (refer to note 9)	-	161,213
Closing balance	**1,836,133**	**1,548,050**

12 Equity (continued)

(b) Reserve (continued)

(i) Details of options movement in the current year

Date	Details	Number	Value
19 August 2016	Issue of options on conversion of convertible notes	125,000	-
23 August 2016	Issue of options on conversion of convertible notes	750,000	-
5 September 2016	Issue of options on conversion of convertible notes	750,000	-
9 September 2016	Issue of options on conversion of convertible notes	250,000	-
12 September 2016	Issue of options under ESOP to employees and consultants	3,666,667	121,097
12 September 2016	Issue of options under ESOP to employees and consultants	3,666,667	101,730
12 September 2016	Issue of options under ESOP to employees and consultants	3,666,666	83,240
29 September 2016	Issue of options on conversion of convertible notes	500,000	-
29 September 2016	Options exercised under ESOP to employees and consultants	(441,311)	(28,538)
7 October 2016	Issue of options on conversion of convertible notes	1,000,000	-
10 October 2016	Issue of options under ESOP to employees and consultants	464,401	5,010
14 October 2016	Issue of options on conversion of convertible notes	50,000	-
29 November 2016	Issue of options on conversion of convertible notes	1,000,000	-
2 December 2016	Issue of options on conversion of convertible notes	950,000	-
2 December 2016	Issue of options under ESOP to employees and consultants	365,046	10,554
12 December 2016	Issue of options on conversion of convertible notes	250,000	-
19 December 2016	Issue of options on conversion of convertible notes	875,000	-
5 May 2017	Options forfeited	(464,401)	(5,010)
		17,423,735	**288,083**

(ii) Details of options movement in the prior year

Date	Details	Number	Value
28 September 2015	Issue of options under ESOP to employees and consultants	250,000	22,250
17 June 2016	Issue of options on conversion of convertible notes	250,000	-
		500,000	**22,250**

The reserve is used to recognise:

- The fair value of options issued to employees but not exercised; and
- The fair value of options issued for goods or services received but not exercised.

12 Equity (continued)

(b) Reserve (continued)

As of the date of this report, the Company has the following unlisted options in existence:

Grant date	Expiry date	Exercise price	No. of options
6 July 2011	22 June 2018	0.07	233,766
19 July 2011	19 July 2018	0.07	233,766
6 March 2012	22 June 2018	0.07	233,766
26 June 2012	22 June 2018	0.07	467,532
27 July 2012	27 July 2018	0.11	825,174
27 July 2012	27 June 2018	0.11	1,650,348
31 October 2012	30 June 2018	0.08	6,000,000
24 September 2013	23 September 2018	0.33	194,808
16 December 2013	16 December 2018	0.17	1,200,000
28 April 2015	28 April 2020	0.28	15,000,000
30 April 2015	30 April 2020	0.33	3,405,000
28 September 2015	28 September 2020	0.33	750,000
17 June 2016	16 June 2019	0.25	250,000
19 August 2016	18 August 2019	0.25	125,000
23 August 2016	23 August 2019	0.25	750,000
5 September 2016	4 September 2019	0.25	750,000
9 September 2016	8 September 2019	0.25	250,000
12 September 2016	11 September 2020	0.60	3,666,667
12 September 2016	11 September 2020	0.85	3,666,667
12 September 2016	11 September 2020	1.20	3,666,666
29 September 2016	29 September 2019	0.25	500,000
7 October 2016	5 October 2019	0.25	1,000,000
14 October 2016	13 October 2019	0.25	50,000
29 November 2016	28 November 2019	0.25	1,000,000
2 December 2016	1 December 2019	0.25	950,000
2 December 2016	1 December 2020	0.39	365,043
12 December 2016	11 December 2019	0.25	250,000
19 December 2016	18 December 2019	0.25	875,000
			48,309,203

13 Related party transactions

(a) Key management personnel compensation

	Year ended 30 June 2017	Year ended 30 June 2016
	$	$
Short-term employee benefits	989,918	207,436
Long-term employee benefits	18,844	-
Post-employment benefits	61,098	14,736
Share-based payments	306,067	146,666
	1,375,927	**368,838**

(b) Other transactions with related parties

In December 2016, a Director related entity converted $100,000 of its convertible note holding into 500,000 shares and 500,000 options (see note 9).

(c) Loans to / from related parties

	Year ended 30 June 2017	Year ended 30 June 2016
Loans from The Franklin Street Trust	$	$
Beginning of the year	-	250,000
Loans advanced	-	-
Interest charged	-	11,747
Loans repayments made	-	(261,747)
	-	-

14 Cash flow information

	Year ended	
	30 June 2017	30 June 2016
Reconciliation of profit after income tax to net cash inflow from operating activities	$	$
Loss for the year	(4,480,161)	(3,457,790)
Adjustment for		
Depreciation	6,514	6,283
Convertible note – deemed interest	85,980	75,233
Share-based payment expense	316,621	175,217
Change in operating assets and liabilities:		
Movement in trade receivables	35,306	123,009
Movement in other current assets	129,470	(244,505)
Movement in accounts payable	(357,720)	760,051
Movement in fees in advance	21,499	(64,138)
Movement in provisions	26,579	71,354
Movement in other current liabilities	23,454	(128,785)
Net cash outflow from operating activities	**(4,192,457)**	**(2,684,071)**

15 Loss per share

(a) Basic and diluted loss per share

	Year ended	
	30 June 2017	30 June 2016
	cents	cents
Basic loss per share (cents)	(2.90)	(3.62)
Diluted loss per share (cents)	(2.90)	(3.62)

(b) Net loss

The net loss used in the calculation of basic and diluted loss per share is $4,480,161 (2016: $3,457,790).

15 Loss per share (continued)

(c) Weighted average number of shares used as the denominator

	Year ended	
	30 June 2017	30 June 2016
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	154,655,260	95,396,741

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. All the options on issue do not have the effect of diluting the loss per share therefore, they have been excluded from the calculation of diluted loss per share.

Capital was split on 4:1 basis on 30 November 2015 and consolidated on a 4:3 basis on the 18 January 2016.

As at the date of this report, a total of 48,309,203 of potential additional ordinary shares (from outstanding options and convertible notes) have not been included in the dilution calculation as they are determined as anti-dilutive.

16 Financial risk management

The Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Company's policies and processes for managing these risks are described below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and other price risk. The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's market risk is managed by the Chief Executive Officer and overseen by the Board.

(i) Currency risk

The Company is not exposed to material currency risk arising from any financial assets or financial liabilities as all material transactions are denominated in Australian dollars.

(ii) Interest rate risk

The Company is exposed to interest rate risk via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. To reduce risk exposure, the economic entity ensures that cash and cash equivalents are placed in high credit quality financial institutions. The objective of managing interest rate risk is to minimise the economic entity's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

The Company's exposure to interest rate risk and the weighted average interest rates on the economic entity's financial assets and financial liabilities are as follows:

2017	Fixed interest rate	Floating interest rate	Non-interest bearing	Total
Financial Assets				
Cash at bank	-	3,209,838	-	3,209,838
Trade and other receivables	-	-	401,406	401,406
Other non-current assets	-	-	16,587	16,587
Financial Liabilities				
Trade and other payables	-	-	(574,395)	(574,395)
Borrowings	-	-	-	-
Net position	-	**3,209,838**	**(156,402)**	**3,053,436**

16 Financial risk management (continued)

(a) Market risk (continued)

2016	Fixed interest rate	Floating interest rate	Non-interest bearing	Total
Financial Assets				
Cash at bank	-	7,384,118	-	7,384,118
Trade and other receivables	-	-	566,182	566,182
Other non-current assets	-	-	16,500	16,500
Financial Liabilities				
Trade and other payables	-	-	(908,573)	(908,573)
Borrowings	-	-	(1,214,020)	(1,214,020)
Net position	-	**7,384,118**	**(1,539,911)**	**5,844,207**

Sensitivity of profit or loss to movements in market interest rates for instruments with cash flow risk:

	30 June 2017	30 June 2016
Market interest rates changed by ± 50 basis points	±16,049	±36,921

(iii) Price risk

The Company is not exposed to price risk arising from any financial assets or financial liabilities.

(b) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Company by failing to discharge an obligation. The Company is exposed to credit risk through the financial assets listed below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	30 June 2017	30 June 2016
Cash at bank	3,209,838	7,384,118
Receivables	401,406	566,182
Maximum exposure to credit risk	**3,611,244**	**7,950,300**

The Company manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations. Management monitors the approval of new credit limits and collections. Sale transactions with smaller entities or individuals taking place over online application require advance payment, thus further reducing the Company's exposure to credit risk.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

(c) Liquidity risk

The Company monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. The management monitors cash flows.

The maturity of financial liabilities at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows.

16 Financial risk management (continued)

(c) Liquidity risk (continued)

2017	Less than 12 months	1 -5 years	Total contractual cash flows	Carrying amount liabilities
Liabilities	$	$	$	$
Trade and other payables	574,395	-	574,395	574,395
Borrowings	-	-	-	-
Financial Liabilities	**574,395**	-	**574,395**	**574,395**

2016	Less than 12 months	1 -5 years	Total contractual cash flows	Carrying amount liabilities
Liabilities	$	$	$	$
Trade and other payables	908,576	-	908,576	908,576
Borrowings	1,300,000	-	1,300,000	1,214,020
Financial Liabilities	**2,208,576**	-	**2,208,576**	**2,122,396**

(d) Fair value

Hierarchy

The following information classifies financial instruments recognised in the statement of financial position at fair value according to the hierarchy stipulated in AASB 7 Financial Instruments: Disclosure ("AASB 7") that reflects the subjectivity of the inputs used in making the measurements as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 – a valuation technique is used using inputs that are not based on observable market data (i.e. unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 30 June 2017, none of the Company's assets or liabilities, with the exception of the convertible notes had their fair value determined using the fair value hierarchy (30 June 2016: convertible notes). The convertible notes are classified as a Level 2 financial instrument. There have been no transfers between the levels of the fair value hierarchy occurred during the current or previous year. The convertible notes were converted by the noteholders during the year, refer to Note 9.

17 Share base payments

(a) Employee Option Plan

The ApplyDirect Limited employee share option plan ("ESOP") is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Under the plan, participants are granted options. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

(b) Share Based Payments – Capital Raising

In addition to the ESOP, options have also been granted to certain individuals in relation to certain goods or services provided in relation to specific capital raising activities.

17 Share base payments (continued)

(c) Options granted

Liabilities	2017 Average Exercise Price Per Option	2017 Number of options	2016 Average Exercise Price Per Option	2016 Number of options
Opening balance	$0.29	30,635,469	$0.29	29,885,469
Granted during the year	$0.847	11,829,447	$0.33	750,000
Exercised during the year	$0.34	(441,311)	-	-
Forfeited during the year	$0.385	(464,401)	-	-
Closing balance	**$0.406**	**41,559,204**	**$0.29**	**30,635,469**

(d) Options outstanding and fair value of options granted

The following variables were utilised in the determination of the fair value of options granted during the current year, which are currently outstanding at balance date (all options were granted at nil value). The fair value at grant date is independently determined using a binomial or Black-Scholes option pricing model:

Grant date	Exercise Price per Share	No. of options granted	Expected Share Price Volatility	Years to Expiry	Dividend Yield	Risk-free Interest Rate	Fair value at grant date
	$	$					$
12 September 2016	0.60	3,666,667	80%	4	Nil	1.65%	607,567
12 September 2016	0.85	3,666,667	80%	4	Nil	1.65%	510,400
12 September 2016	1.20	3,666,666	80%	4	Nil	1.65%	17,800
2 December 2016	0.385	365,046	80%	4	Nil	2.12%	73,374

(e) Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows. In addition to the below there have been no additional share based payments directly related to capital raising activities recognised directly in equity (2016: $22,250).

	Year ended 30 June 2017	Year ended 30 June 2016
	Number	Number
Options issued under the ESOP	-	75,217
Options issued – other	316,612	-
Total expense from share based payment transactions	**316,612**	**75,217**

18 Remuneration of auditors

	Year ended	
	30 June 2017	30 June 2016
Audit of financial statements	$	$
Previous Auditor	-	17,000
Current Auditor	34,135	22,000
	34,135	**39,000**

19 Subsequent events

No matter or circumstance has arisen since 30 June 2017 that has significantly affected the Company's operations, results of state of affairs, or may do so in future years.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 20 to 43 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 consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date, and

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

(c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 1.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

Mr Michael Kay

Chairman

Date: 27 September 2017

Grant Thornton

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report to the Members of ApplyDirect Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of ApplyDirect Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Note 1(e))	
The Company has revenue from two income streams: subscription revenue and implementation revenue which is recognised in accordance with *AASB 118 Revenues*. Performance against market expectations places pressure to distort revenue recognition, resulting in potential overstatement. This is a key audit matter due to the subjectivity that can exist when assessing the percentage of completion for implementation revenue and timing of recognition for subscription revenue.	Our procedures included, amongst others, the following: • Understanding and documenting the processes and controls used by the Company in recognising revenue; • Testing a sample of revenue transactions to signed customer contracts and assessing whether revenue has been accurately recorded in the correct period; • Reviewing revenue recognition policies for appropriateness and consistency in accordance with AASB 118 *Revenue;* • Assessing management's estimate of the stage of completion for implementation revenue and assessing whether revenue has been accurately recorded in the correct period and the percentage of completion method has been applied appropriately; and • Assessing the adequacy of the Company's disclosures within the financial statements.
Research and development claim (Note 1(f))	
The Company accounts for the R&D tax incentive as a Government Grant. The R&D grant lodged represents an estimate of the expected grant amount to be received post balance date. This area is a key audit matter due to the inherent subjectivity that is involved in the Company making judgements in relation to the calculation and recognition of the R&D tax incentive income and receivable.	Our procedures included, amongst others: • Making enquiries with management to obtain and document an understanding of their process to calculate the R&D tax incentive; • Evaluation of management's processes and controls to determine if it appropriately addresses the risks; • Obtain calculations prepared by management and agree amounts claimed to supporting expenditure; • Reviewing historical reliability of estimates and budgets to support the reliability of the estimate; and • An independent review of the calculation by audit specialists to determine eligibility of costs claimed.
Going Concern (Note 1(c))	
As at 30 June 2017 the Company has recorded a net loss of $4,480,161 (2016: $3,457,790) and net cash outflow of $4,192,457 (2016: $2,684,071) from operating activities as disclosed in Note 1(c). The Company's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgement required in evaluating the Company's assessment of going concern. The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Company's ability to continue as a going concern.	Our procedures included, but were not limited to: • Challenging the underlying assumptions reflected in management's cash flow forecasts. This included agreeing assumptions to underlying documentation, sensitising key judgemental inputs and analysing and challenging cash inflows and outflows in relation to delivery of contracts and receipts from customers; • Assessing the historical accuracy of the forecasts prepared by management and current trading; • Assessing the Company's historical ability to raise equity or working capital to support its operations; and • Assessing the appropriateness of the related disclosures in Note 1(c) to the financial statements.

Grant Thornton

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of ApplyDirect Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Grant Thornton

Responsibilities

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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

Simon Trivett

S C Trivett

Partner - Audit & Assurance

Melbourne, 27 September 2017

The shareholder information set out below was applicable as at 29 August 2017.

(a) Distribution of equity securities

Analysis numbers of ordinary shareholders by size of holding:

Holding	Securities	%	No. of holders	%
100,001 and Over	162,159,622	94.57	148	31.90
10,001 to 100,000	8,602,463	5.02	201	43.32
5,001 to 10,000	593,575	0.35	63	13.58
1,001 to 5000	106,826	0.06	37	7.97
1 to 1,000	649	0.00	15	3.23
Unmarketable parcels	-	-	-	-
	171,463,135	**100.00**	**464**	**100.00**

(b) Equity security holders

Twenty largest quoted equity security holders

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

		Ordinary shares
Name	**Number held**	**Percentage of issued shares (%)**
POTENTATE INVESTMENTS PTY LTD	22,916,928	13.37
WERNDEX PTY LTD	19,431,967	11.33
PRAGMATIC PTY LTD	4,663,641	2.72
VERNBROOK PTY LTD	4,307,879	2.51
NATIONAL NOMINEES LIMITED	3,955,167	2.31
JOELISA NOMINEES PTY LTD	3,942,852	2.30
DR LEON GOLDBERG & MRS MYRIAM GOLDBERG	3,735,711	2.18
SAM ROMEK GONN	3,285,711	1.92
BNP PARIBAS NOMS PTY LTD	3,216,863	1.88
RAM BUSINESS INTELLIGENCE PTY LTD	3,156,339	1.84
IAN POUPARD & JANICE POUPARD	2,628,570	1.53
REGENTBAY INVESTMENTS PTY LTD	2,628,564	1.53
THREE ZEBRAS PTY LTD	2,500,000	1.46
DENT SUPER INVESTMENTS PTY LTD	2,360,003	1.38
GASMERE PTY LTD	2,222,888	1.30
COPPERHEAD PTY LTD	2,070,000	1.21
OBEAH HOLDINGS PTY LTD	2,070,000	1.21
CATTEGATE PTY LTD	2,001,369	1.17
DOVETON KAY INVESTMENTS PTY LTD	2,000,000	1.17
SANDHURST TRUSTEES LTD	2,000,000	1.17
ASIA PAC TECHNOLOGY PTY LTD	1,950,000	1.14
PENELOPE ROBERTSON	1,933,335	1.13
	98,977,787	**57.76**

(c) Substantial holders

Substantial holders in the Company are set out below:

	Number held	Percentage
POTENTATE INVESTMENTS PTY LTD	22,916,928	13.37
WERNDEX PTY LTD	19,431,967	11.33
	42,348,895	**24.70**

Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:
Link Market Services Limited
Level 12, 680 George Street, Sydney, New South Wales 2000
Telephone: +61 2 8280 7100

Change of address, change of name, consolidation of shareholdings

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

Annual report

Shareholders do not automatically receive a hardcopy of the Company's Annual Report unless they notify the Share Registry in writing. An electronic copy of the Annual Report can be viewed on the Company's website www.applydirect.com.au

Tax file numbers

It is important that Australian resident Shareholders, including children, have their tax file number of exemption details noted by the Share Registry.

CHESS (Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS system should contact their stockbroker.

Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of an individual/ Company's holding.

Listing rule 4.10.19 disclosure

For the purpose of ASX Listing Rule 4.10.19, the Board confirms that during the year from 1 July 2016 to 30 June 2017 the Company used its cash and assets readily convertible to cash in a manner consistent with its stated business objectives.

Corporate directory

Directors:	Mr Michael Kay Mr Bryan Petereit Mr Drew Ilsley Mr Anthony Charles
Secretary:	Mr Phillip Hains
Principal registered office in Australia:	Unit 3, 3 Wellington Street Kew, Victoria, 3101 1300 554 842
Share and debenture register:	Link Market Services Limited Level12, 680 George Street Sydney New South Wales 2000 +61 2 8280 7100
Auditor:	Grant Thornton Audit Pty Ltd Level 30 525 Collins Street Melbourne Victoria 3000
Solicitors:	Minter Ellison Level 23, 525 Collins Street Melbourne Victoria 3000
Website:	www.applydirect.com.au

ApplyDirect