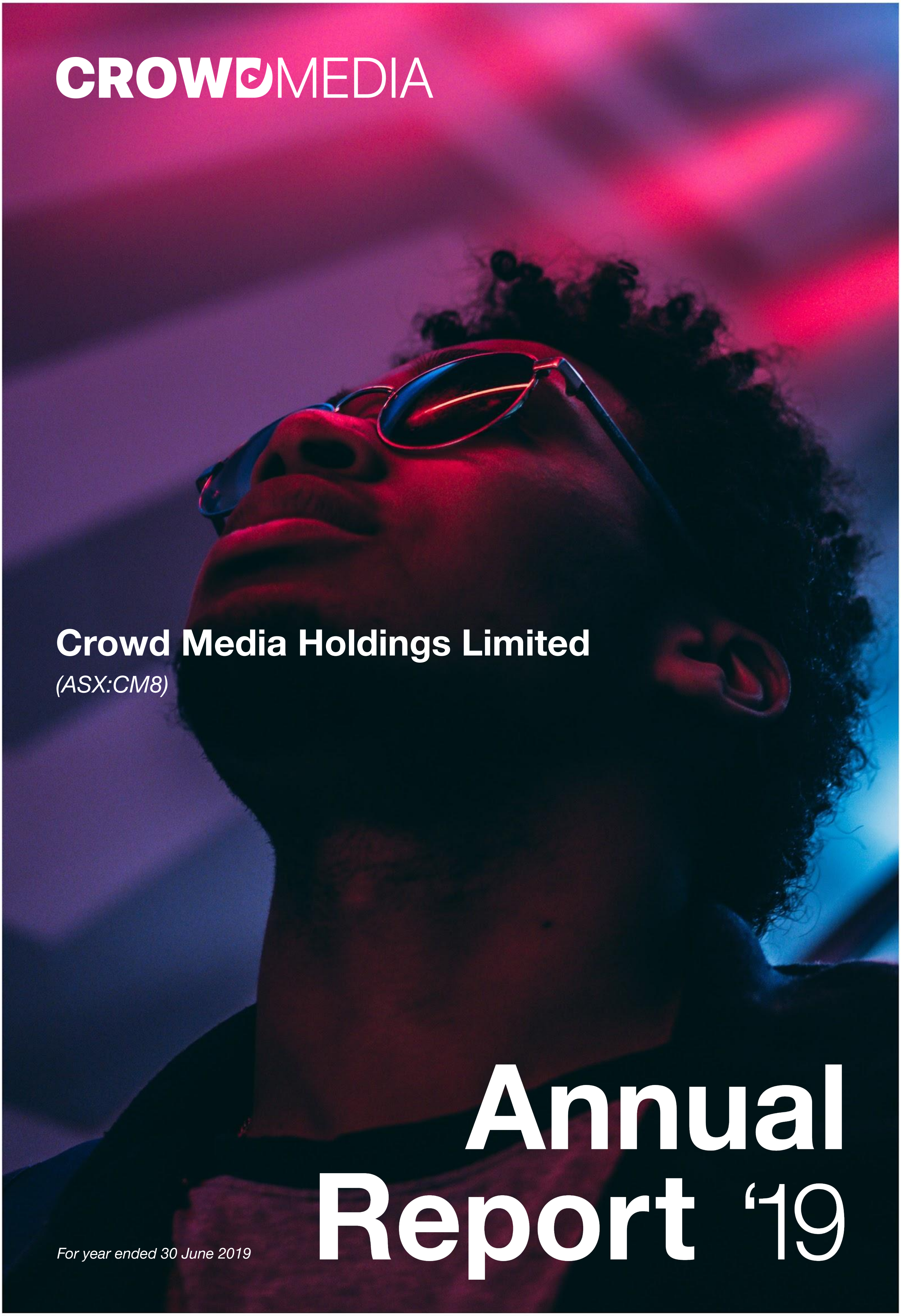


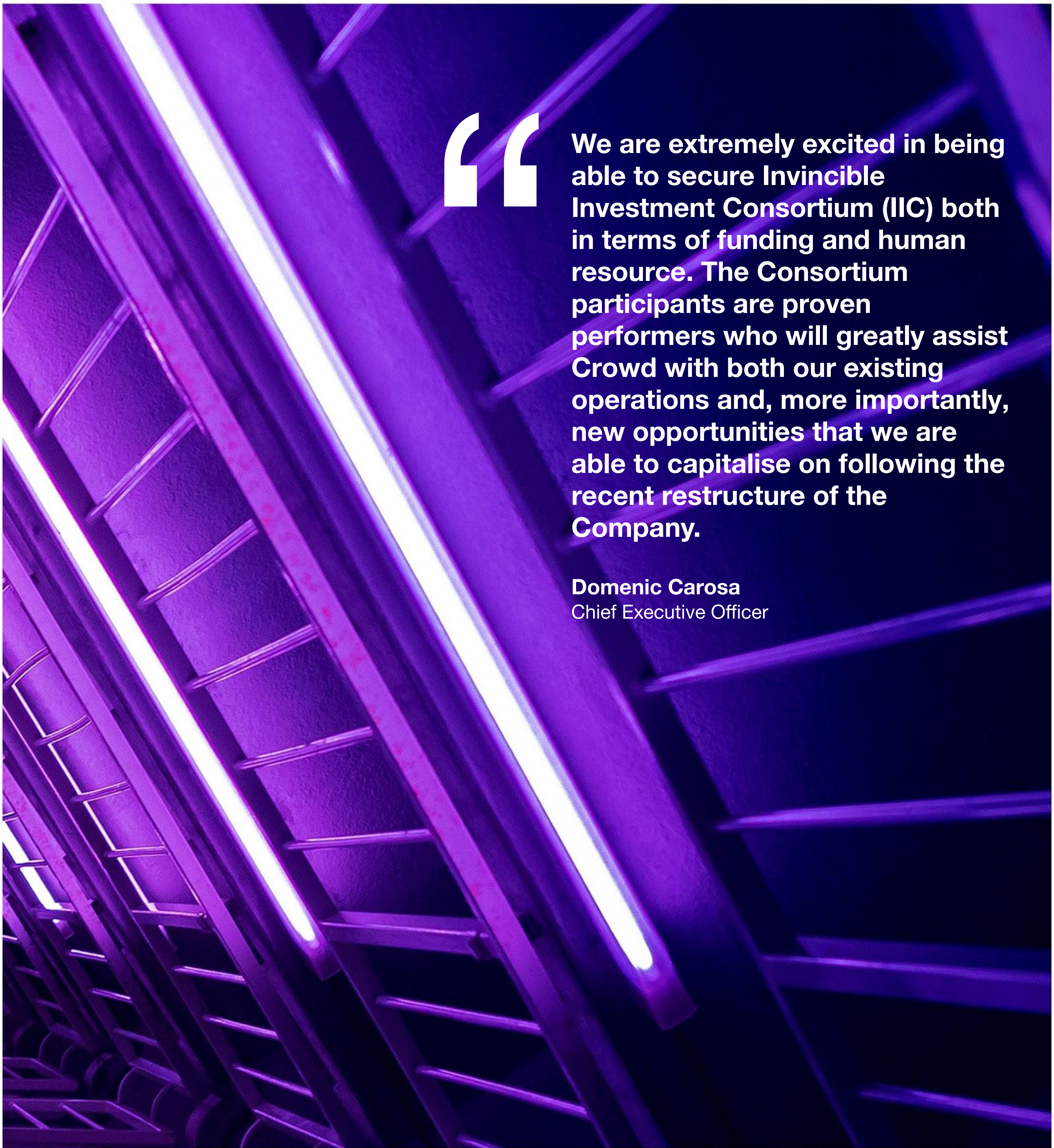
CROWD MEDIA

Crowd Media Holdings Limited

(ASX:CM8)

Annual Report '19

For year ended 30 June 2019



> “We are extremely excited in being able to secure Invincible Investment Consortium (IIC) both in terms of funding and human resource. The Consortium participants are proven performers who will greatly assist Crowd with both our existing operations and, more importantly, new opportunities that we are able to capitalise on following the recent restructure of the Company.

Domenic Carosa
Chief Executive Officer

We Create Solutions

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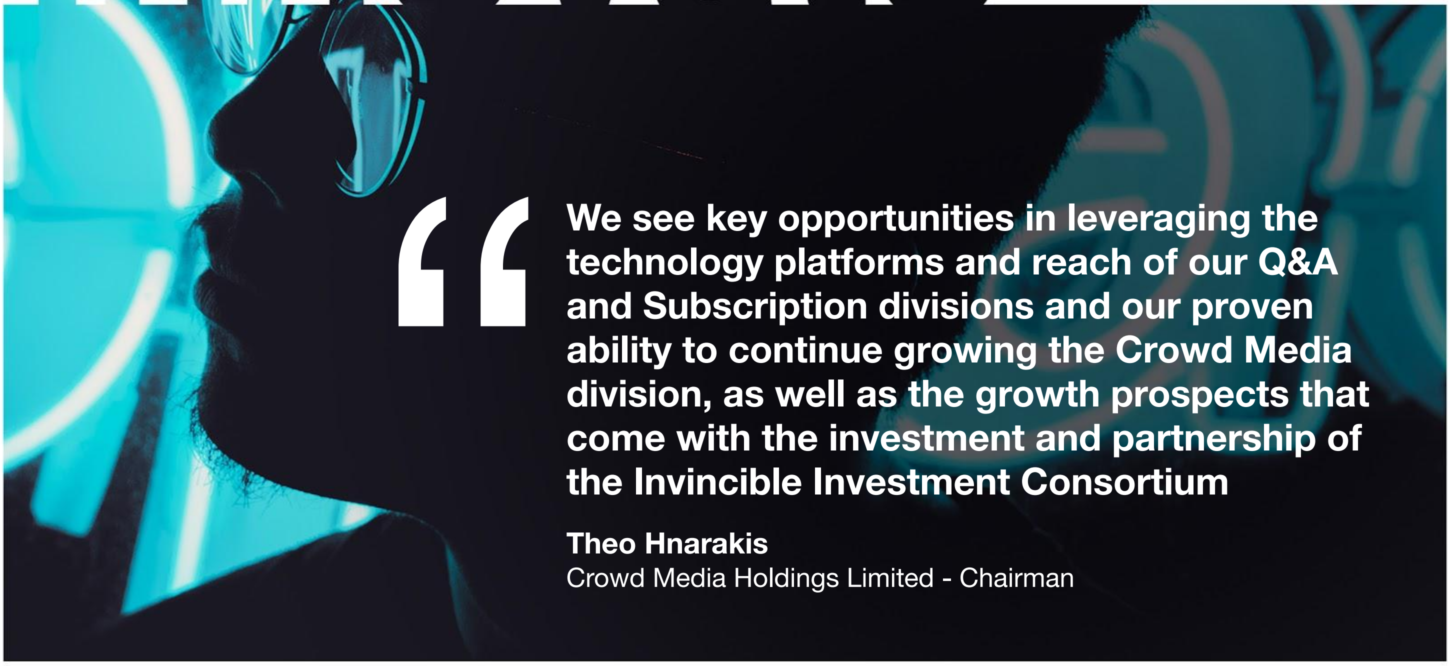
We Innovate



"We see key opportunities in leveraging the technology platforms and reach of our Q&A and Subscription divisions and our proven ability to continue growing the Crowd Media division, as well as the growth prospects that come with the investment and partnership of the Invincible Investment Consortium

Theo Hnarakis
Crowd Media Holdings Limited - Chairman

Corporate Directory

Directors	Theo Hnarakis - Chairman Domenic Carosa Sophie Karzis
Company Secretary	Laura Newell
Registered Office	**Australia** Level 4 44 Gwynne Street Cremorne VIC 3121 **Europe** *(Netherlands)* 95B Piet Heinkade 1019 GM Amsterdam
Share Registry	**Boardroom Pty Limited** Level 12 225 George Street Sydney NSW 2000 Tel: 1300 737 760 (within Australia) +61 (0) 3 9290 9600 (outside Australia) Fax: +61 (2) 9279 0664
Auditor	**RSM Australia Partners** Level 21 55 Collins Street Melbourne VIC 3000
Stock exchange listing	Crowd Media Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: CM8) Crowd Media Holdings Limited shares are also dual listed on the Frankfurt Stock Exchange (FWB code: CM3)
Website	www.crowdmedia.com

"Despite regulatory headwinds and multiple challenges on our journey, my optimism for growth and delivering shareholder value has not dissipated"

Dear Shareholders,

Crowd Media achieved revenue of $23.9m in a challenging 2019 financial year. Our investment in our Crowd Media division continued to gain ground with revenue increasing 232% over 2018, whilst our Q&A and Subscription divisions had mixed results. After conducting a strategic review, we have taken aggressive cost-cutting measures to return the Company to profitable in FY20, while entering into a new phase with the Invincible Investment Consortium who recently took a strategic stake in Crowd Media.

The deal leverages the strengths, intellectual property and know-how of each party, noting that Crowd's strengths include its proprietary technology (currently only utilised in its Q&A and Subscription verticals), social media and digital marketing; IIC's strengths include innovative product development, brand-building, international business operations, brand positioning and digital media influencer marketing.

Given the new strategic investor joining, I have decided to step aside and make way for incoming Chairman Steven Schapera who comes highly credentialed having exited his previous company to Estee Lauder for AUD $300 million.

Annual report

I am pleased to present Crowd Media's 2019 Annual Report. Although this was again a challenging year, I am pleased to say that we have completed our strategic review and are moving into FY20 with a renewed focus and vigour.

Revenue, underlying EBITDA and operating cash flow for FY19 were approximately $23.9 million, ($2.6 million) and ($2.4 million), respectively. The Crowd Media division saw significant growth, while the Q&A and Subscription divisions suffered a drop in revenue.

During FY19, the Company implemented cost-saving measures with the objective of moving the Company back to profitability.This included a reduction in 50% of middle and senior management, which included the COO and other management positions.

On 29 August 2019 the Company executed a binding Heads of Agreement with an alliance of strategic investors, collectively the Invincible Investment Consortium (IIC), to fund existing Company requirements, as well as develop new business synergies and joint ventures between Crowd Media and businesses that the IIC can introduce and facilitate.

Throughout our history, Crowd Media has always been a company that innovates, and we now see significant potential to move further into this growing space. We believe we have unique skills and expertise in harnessing the power of social media and digital influencers to promote global brands, hence why the strategic investment by Invincible Investment Consortium is so important.

As part of the investment and collaboration under the agreement, IIC principals Steven Schapera and Robert Quandt will be joining the Crowd Media Board of Directors in September 2019.

Crowd Media Agency Division

The Crowd Media division provides brands and digital influencers with an influencer marketing agency, underpinned by our proprietary technology which we have built over the last 5 years.

With millennials quickly becoming the largest population segment in the world, seismic shifts in the media landscape are taking place. Millennials watch little TV and typically surf the web with an adblocker, thus having less exposure to traditional means of advertising. Crowd Media is built upon the idea of using people with a substantial following on social media, or "influencers" to deliver branded content to their audiences.

At Crowd Media, we see influencers as the future of advertising. Crowd Media continued its strong growth trajectory in FY19, with revenues of $1.6 million (FY18: $0.49m) and a sales pipeline of $1 million. Looking ahead, we will continue to deliver globally competitive social media and digital influencer campaigns to clients and generating materials revenues with strong year on year growth.

Crowd Mobile Division

The Q&A and Subscription divisions experienced material headwinds in FY19 caused by regulatory changes and material bad debt provisions. Revenues for the divisions were $15.9 million and $6.4million, respectively, down 41% on combined FY18 revenue of $38.1 million.

Headwinds are receding and green shoots are appearing through new social distribution channels and new territories. Consumer demand continues for these services and with the cost saving measures implemented in FY19, these divisions are expecting to be EBITDA positive again in FY20.

Fiscal Responsibility

We refinanced our JGB debt in FY19 with BillFront Limited at improved terms. The maturity date of the debt is 12 April 2021.

In FY19 our operating cash flow was lower due to a number of one-offs, including redundancy payments as part of the strategic review that was performed during the year. Furthermore, the Board and CEO agreed to a salary reduction program for the period from 1 February 2019 to 30 June 2019.

As a result of these diligent cost-cutting measures the Company implemented in FY19, we believe this will bring the Company back to consistent positive EBITDA and operating cash flow in FY20.

Furthermore, under the agreement executed with the Invincible Investment Consortium (IIC) on 29 August 2019, Crowd Media will issue IIC (and/or their nominees) with convertible notes with a face value of up to $3.7 million in two tranches. Tranche 1 of $1.7 million will be used to pay down the convertible notes issued to Obsidian, cover redundancy costs resulting from the strategic review performed in FY19 and provide additional working capital. Tranche 2 of $2.0 million is subject to the parties agreeing to a business plan which focuses on strategic collaboration objectives.

Underlying EBITDA Results

Crowd Media reported underlying EBITDA result of ($2.6 million) and ($2.4 million) in operating cashflow for FY19 as follows:

Net Profit after tax (NPAT)	(4,795,984)
Add: tax expense/(benefit)	(1,581,426)
Add: finance costs	582,894
Deduct: interest income	(1,991)
Add: depreciation and amortisation	209,128
Earnings before interest, tax, depreciation and amortisation ('EBITDA')	**(5,587,379)**
Add: impairment expense	1,158,485
Add: share-based payments expense (non-cash)	24,750
Add: restructuring and refinancing costs	1,459,095
Add: share issuance costs	131,525
Effects of exchange rate changes	164,915
Underlying EBITDA	**(2,648,609)**

Board, Governance and Management

The Board is committed to ensuring our business is conducted in accordance with the highest standards of corporate governance. This, together with strong management, creates a positive culture for shareholders, employees and customers.

Outlook

FY19 was a true challenge for the Company, but we have emerged with a real purpose and drive in FY20.

We see key opportunities in leveraging the technology platforms and reach of our Q&A and Subscription divisions and our proven ability to continue growing the Crowd Media division, as well as the growth prospects that come with the investment and partnership of the Invincible Investment Consortium.

On a personal note, I joined the Crowd Mobile team as Chairman 5 years ago with a sense of optimism that our company would grow into a leader in our field. Despite regulatory headwinds and a multitude of challenges on our journey, my optimism for growth and delivering shareholder value has not dissipated.

On behalf of the Board, let me close by thanking you, our shareholders, for your ongoing support. To the Company's Board of Directors, CEO and Managing Director, Domenic Carosa, and his international team, thank you for your strong and committed effort during the past 12 months and wish you all the best in the future.

Theo Hnarakis
Crowd Media Holdings Limited - Chairman

"As a result of the diligent cost-cutting measures the Company implemented in FY19, we believe this will bring the Company to consistent positive EBITDA and operating cash flow in FY20"

Dear Shareholders,

We are extremely excited in being able to secure Invincible Investment Consortium (IIC) both in terms of funding and human resource. The Consortium participants are proven performers who will greatly assist Crowd with both our existing operations and, more importantly, new opportunities that we are able to capitalise on following the recent restructure of the Company.

Both our social media and digital marketing capabilities, as well as our Artificial Intelligence and Subscription technology platforms, have been substantially enhanced and refined over the last year and they are now ready to be more effectively deployed with the assistance of IIC. It will be a very exciting few months ahead for Crowd as we work closely with IIC to expand our business capabilities.
Under the agreement executed with the Invincible Investment Consortium (IIC) on 29 August 2019, Crowd Media will issue IIC (and/or their nominees) with convertible notes with a face value of up to $3.7 million in two tranches. Tranche 1 of $1.7 million will be used to pay down the convertible notes issued to Obsidian, cover redundancy costs resulting from the strategic review performed in FY19 and provide additional working capital. Tranche 2 of $2.0 million is subject to the parties agreeing to a business plan which focusses on strategic collaboration objectives.

Annual review

Crowd Media's FY19 year was a challenging one for the Company, especially within the Q&A and Subscription divisions. Similar to FY19, I expect part of FY20 to be a year of transition and I ask shareholders for their patience as we transform to a platform-centric company focused on marketing, predominately to millennials, through technology.
We completed our strategic review and identified a number of improvements and opportunities. We believe we have some key strengths that we can build on as follows:

1. Pioneers in social media and influencer marketing (6+ years)
2. Millennial and digital in our company DNA
3. Data-driven culture that leverages Artificial Intelligence (AI) and Business Intelligence (BI) technology
4. Strong depth and breadth in digital marketing in local markets around the world (30+)

However, we are also committed to growth and evolving further into a digital media company and to achieve our goals, a number of fundamental changes needed to be identified and implemented.
As a result of the diligent cost-cutting measures the Company implemented in FY19, we believe this will bring the Company back to consistent positive EBITDA and operating cashflow in FY20.

Crowd Media

Increasing revenue & sales pipeline

Crowd Media works with brands and digital influencers and our strong performance has been achieved by accelerating our ability to capture global growth opportunities in the digital influencer market space, leveraging the global distribution and expertise we have built up in the past 7 years in social media marketing with the Q&A division.
In FY19 Crowd Media revenues were $1.6m, up 232% from $0.49m in FY18, with a current pipeline of $1m+. We anticipate continuing the material growth within Crowd Media across all key metrics in FY20.
Crowd Media continues to attract blue chip partners including Nestle, L'Oréal, Apple Music, Bunq, Coty, Happn, Oasis, Moroccan Oil and Mandarine Napoleon.

Crowd Media's sales have been secured despite significantly longer sales cycles and therefore the continued sales growth illustrates good and promising momentum. The estimated sales cycle is typically around 4-6 months depending on the size of the deal.

Why is Crowd Media investing in this space? At Crowd Media, we see social media as the new TV channel and digital influencers as the new TV commercial. Millennials are no longer consuming media in traditional ways, so brands need to be agile and design new methods to reach them. This is where digital influencers – people with clout on social media – come in. Research shows that millennials trust influencers much more than traditional media, making social media an important marketing channel.

Moving forward, we see opportunities for influencers to leverage their popularity to sell both physical and digital products, so we want to empower them to monetise beyond simply advertising. This is part of the reason why we believe the IIC deal is so strategic.

Backing this all up, we have a global distribution network – fifteen years in the making – that is connected to over 220 telcos worldwide. With this vast network in place, we can bill customer's mobile phones directly. Currently, we are executing over 200 influencer campaigns a month, and to date, we have worked with over 6,000 influencers. We see this as a lucrative growth opportunity and are very excited to be in this space.

Crowd Mobile
Strategic review

The Q&A and Subscription divisions faced major regulatory headwinds and material bad debt expenses in FY19. Revenue for Q&A in FY19 of $15.9m was down 36% on FY18 and Subscription revenue of $6.4m was down 52% on FY18.

We proactively took steps to protect the operating margins by identifying operational efficiencies through the strategic review and aggressive cost-cutting initiatives.

Headwinds are now receding, and green shoots are appearing through new social distribution channels and new territories.

Key Drivers
Social Media & Millennials

Crowd Media is positioned to continue capitalising on the global shift towards mobile devices and increasing importance of social media channels. Our target customers continue to be 16-35 years old with disposable income and limited financial commitments.

These millennials are mobile natives and Crowd Media provides valuable mobile services and entertainment aimed at them. We have also identified the growing trend of digital influencers and see this as a key opportunity going forward. Our product strategy is matched to these demands and trends.

Crowd Media
Transition and opportunities

Crowd Media is continuing to explore additional ways to improve shareholder value. With the significantly reduced cost base in FY20, we are expecting positive EBITDA and positive operating cashflow.

We are extremely excited in being able to secure IIC both in terms of funding and human resource. The new Chairman and Board member (and other Consortium participants) are proven performers who will greatly assist Crowd with both our existing operations and, more importantly, new opportunities that we are able to capitalise on following the recent restructure of the Company.

I would like to thank our board for their support and our staff and executive team for their hard work and application in these trying times.

I would also like to formally thank our outgoing Chairman, Theo Hnarakis, for his leadership since listing the Company in January 2015; his advice and mentorship have been invaluable.

Finally, I would like to thank all of our shareholders for your continued support and look forward to sharing our developments with you all in FY20 and beyond.

Domenic Carosa
Chief Executive Officer

We always innovate

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Crowd Media Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were directors of Crowd Media Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:
Theo Hnarakis - Chairman
Domenic Carosa
Sophie Karzis

Principal activities

During the financial year the principal continuing activities of the Group consisted of the sale of information, entertainment and content and utility services for mobile phones and tablets.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The financial results for the year ended 30 June 2019 and for the prior year ended 30 June 2018, ('pcp' or 'prior year') represents those of the Crowd Media operating entities, the Track operating entities, Crowd Media and Crowd Media Holdings Limited.

Crowd Media earned revenue and other income for the year ended 30 June 2019 of $23,918,776 versus $38,557,609 in the prior year. The net loss after tax for the year was $4,795,984 compared with a pcp net loss after tax of $26,041,272 The other comprehensive income for the year attributable to the owners of Crowd Media was $511,227 when accounting for a foreign currency translation loss on foreign operations.

Crowd Media's net asset position at 30 June 2019 was $948,113, a decrease of 80% over the 30 June 2018 balance of $4,655,431. This largely reflects the impairment of the Subscription CGU in FY-18 and operational transition and investment in the Media division.

During the year ended 30 June 2019, Crowd Media performed a strategic review to streamline operations and implement cost reduction initiatives. These initiatives included redundancies that will save the Company over $1.4m in annualised costs effective 1 July 2019, with total annualised cost savings of $3.5m realised in FY-19. Employee headcount was reduced by 34% from 73 in Q1 FY-19 to an expected 48 in Q1 FY-20. As a result of these initiatives and projected growth in the Media division, the Company is expecting to be earnings before interest, tax, depreciation and amortisation ('EBITDA') positive and operationally cashflow positive in FY-20, with a focus on reducing debt.

Comparison of years ended 30 June 2019 to 30 June 2018

	2019 $	2018 $	Increase/ (decrease) $	Percentage change %
Revenue	23,918,776	38,552,347	(14,633,571)	(38%)
Other income	-	5,262	(5,262)	(100%)
Cost of sales	(7,167,258)	(9,219,751)	2,052,493	(22%)
Selling, general and administration expenses	(21,180,412)	(26,599,387)	5,418,975	(20%)
Impairment expense	(1,158,485)	(25,913,717)	24,755,232	(96%)
Earnings before interest, tax, depreciation and amortisation ('EBITDA') Profit / (Loss)	(5,587,379)	(23,175,246)	17,587,867	(76%)
Interest income	1,991	2,655	(664)	(25%)
Depreciation and amortisation	(209,128)	(3,648,101)	3,438,973	(94%)
Finance costs	(582,894)	(1,528,206)	945,312	(62%)
Income tax benefit	1,581,426	2,307,626	(726,200)	(31%)
Net Profit / (Loss) After Tax ('NPAT')	(4,795,984)	(26,041,272)	21,245,288	(82%)

Notably, the Company's EBITDA and net loss includes impairment expense of $1,158,485, a non-cash share-based payment charge of $24,750, refinancing and restructuring costs of $1,459,095 and share issuance costs of $131,525. When adjusting only for these effects (consistent with performance measures reported to shareholders during the year), the Underlying EBITDA for the financial year is a loss of ($2,648,609) (pcp: $3,579,496), a decrease of 174% versus prior year, as follows:

	Consolidated	
	2019 $	2018 $
Net profit/loss after tax (NPAT)	(4,795,984)	(26,041,272)
Add back: tax expense/(benefit)	(1,581,426)	(2,307,626)
Add back: finance costs	582,894	1,528,206
Deduct: interest income	(1,991)	(2,655)
Add back: depreciation and amortisation	209,128	3,648,101
EBITDA	(5,587,379)	(23,175,246)
Add back: impairment expense	1,158,485	25,913,717
Add back: share-based payments expense	24,750	382,380
Add back: restructuring and refinancing costs	1,459,095	70,000
Add back: share issuance costs	131,525	-
Effects of exchange rate changes	164,915	388,645
Underlying EBITDA	(2,648,609)	3,579,496

Revenue

	2019 $	2018 $	Increase/ (decrease) $	Percentage change %
Revenue	23,918,776	38,552,347	(14,633,571)	(38%)

For FY-19, revenue was represented by Q&A of $15,923,286 (pcp: $24,736,054), Subscription of $6,361,291, (pcp: $13,323,863) and Media of $1,634,199 (pcp: $492,430).

The Q&A business encountered headwinds and produced softer than expected revenues. The Company continues to develop its Artificial Intelligence ('AI') and Business Intelligence ('BI') technology to help drive growth.

Billed message volumes slightly decreased from 14.0m to 12.5m year on year. The average revenue per paid message for the current year was $1.29 compared to $1.72 for the prior year. This reflects the Company's strategy of growing more strongly in lower unit economic countries, as well as a depreciating Australian dollar versus the Euro, compared to the previous corresponding period.

Subscription contributed consolidated revenue of $6,361,291 and the business generally continues to be profitable. Management has tangible plans to expand the product offering in FY20, adding new and better-quality third-party content and diversifying revenue. In addition, management performs a strategic review on an ongoing basis and continues to identify cost savings and operational efficiencies for this business.

Group revenue is expected to stabilise in FY20 as a result of further growth of the Media business, continuous leverage of existing and new products into existing and new markets in both the Q&A and Subscription businesses and reducing operating expenses.

Expenses

(i) Cost of sales

For FY-19, the Group's cost of sales was $7,167,258 or 30% of revenue (pcp: $9,219,751 at 24%) and was represented by Q&A at $4,327,093 (pcp: $6,015,865), Subscription at $1,796,815 (pcp: $2,768,174) and Media at $1,043,350 (pcp: $435,712). The margin increase was the result of the decline in Subscription revenue, combined with stable fixed portion of the cost base and increased compliance cost. An improvement in the Q&A business is derived from the use of AI and BI solutions. We expect cost of sales as a percentage of revenue to be relatively flat in FY-20.

(ii) Selling, general and administration expense

For FY-19, the 20% decrease in Crowd Media's selling, general, and administrative expenses (which include Marketing) to $21,180,412 is mostly due to decrease in marketing and cost saving initiatives. We expect selling, general and administration expenses to further decrease in line with the additional operational and employee costs savings that will materialise in FY-20. The Group will continue to invest into high growth business areas, such as digital influencer commerce.

The larger movements in expenses for FY-19 versus FY-18, were as follows:

	2019 $	2018 $	Increase/ (decrease) $	Percentage Change %
Marketing	6,993,715	11,261,186	(4,267,471)	(38%)
Employee benefits expenses	8,663,575	9,239,409	(575,834)	(6%)
Product development	143,465	831,494	(688,029)	(83%)
Share-based payment	24,750	382,380	(357,630)	(94%)
Impairment expense	1,158,485	25,913,717	(24,755,232)	(96%)
Restructuring and finance costs	1,459,095	70,000	1,389,095	1984%

- **Marketing:** The consolidated marketing expense of $6,993,715 or 29% of revenue for FY-19 was down by $4,267,471 or 38% versus FY-18: $11,261,186 (29% of revenue). Q&A was $5,250,706 or 33% of revenue for the year, compared to pcp of $6,015,865, at 24%. The digital influencer and innovation channels produced stable ROI, which offsets continuous saturation of the Facebook channels. The Subscription expense was $1,587,156 or 25% (pcp: $2,996,103 at 22%). The Media division marketing expense was $155,853 or 10%. Moving forward, we expect a broadly consistent marketing cost to income ratio.
- **Employee benefits expense:** The consolidated expense decreased by $575,834, or 6%, for FY-19, mostly due to a decrease in headcount. Q&A for the period was $6,296,010, almost flat versus the previous corresponding period of $6,333,887. The Subscription expense was $1,220,657 for the period, a decline of 29% versus the FY-18 expense of $1,714,798, due to restructuring in FY-18. In addition, the Crowd Media division incurred an expense of $1,146,908, a decline of 4% versus the previous corresponding period of $1,190,724. At 36% of Group revenue, the employee benefits expense ratio trended upwards in FY-19 compared to pcp. This ratio is expected to decrease in FY-20 as a result of the restructuring that occurred in FY-19.
- **Product development:** In FY19, the Company incurred a product development expense of $143,465 (pcp: $831,494), which related to internal product development costs for our digital influencer CRM and Schumacher emoji app. These costs were expensed and not capitalised. The decline in FY-19 is the result of the Company's strategic plan and operational transition.
- **Share-based payment:** The consolidated expense of $24,750 for FY-19 is a Directors' and staff incentive expense and is attributed to the Q&A CGU. The reduction of $357,630, or 94%, reflects the decline in performance rights in FY-19.
- **Impairment expense:** In FY-19, impairment expense is related to allowance for expected credit losses of $1,158,485 (pcp: $533,673). In FY-18, management conducted a strategic review and trigger-based impairment test of the Subscription CGU, resulting in an impairment of $25,380,044, writing the asset down to nil.
- **Restructuring and refinancing costs:** In FY-19, the Company incurred costs for debt refinancing and restructuring of $1,459,095. In FY-18, restructuring costs totalled $70,000.

(iii) Depreciation and amortisation

	2019 $	2018 $	Change $	Change %
Depreciation	192,988	219,474	(26,486)	(12%)
Amortisation	16,140	3,428,627	(3,412,487)	(100%)
	209,128	3,648,101	(3,438,973)	(94%)

The FY-19 consolidated depreciation and amortisation expense of $209,128 (pcp: $3,648,101) is split between Q&A as $71,176 (pcp: $125,663), Subscription as $129,612 (pcp: $3,522,438) and Media as $8,340 (pcp: $0). The decrease in the consolidated depreciation and amortisation charges in FY-19 is due to the impairment taken in FY-18, which resulted in writing down the Subscription CGU to nil.

(iv) Finance costs

The consolidated finance costs for FY-19 of $582,894 is a decrease of $945,312 or 62% from FY-18. Due to the reduced debt holdings and refinancing that occurred in FY-19, we expect finance costs to further decline in FY-20.

(v) Income tax expense/(benefit)

The consolidated tax benefit for FY-19 of ($1,581,426) is represented by a Q&A benefit of ($813,042), a Subscription benefit of ($420,346) and Media benefit of ($348,038). The consolidated tax benefit for FY-18 was ($2,307,626), which was mainly due to the release of a deferred tax liability of ($2,547,137) related to the impairment of the Subscription division in FY-18.

Cash flow

The Company's net cash used in operating activities for the year was ($2,443,352), which was a decrease of $5,082,567 versus the prior period (pcp: $2,639,215). The decline reflects a decrease of receipts from customers which were $26,868,408 and $41,422,950, respectively. This decline was partially offset by decreased payments to suppliers and employees of $6,665,361.

Net trading receipts (excluding interest and tax cash flows) for FY-19 was ($2,632,124), which is a 150% decrease over the prior year of $5,256,697. The net cash flow from investing activities for the period was $120,536, versus ($516,755) in the prior year, mainly reflecting proceeds from disposal of intangibles and release of security deposits. The net cash flow from financing activities for the period was $133,264 versus ($4,662,157) in the prior year, comprised of repayments of borrowings to JGB of $3,287,542, offset by proceeds from issue of shares of $428,957 and combined payments for borrowings of $2,991,849.

Liquidity and Financial Position

At Crowd Media's 30 June 2019 reporting date:

- Cash and cash equivalents ('cash') were $839,462 (30 June 2018: $2,559,776).
- Working capital, (defined as current assets less current liabilities) decreased by $1,417,583 to $1,545,624 (30 June 2018: $2,963,207).
- Reporting date total current and non-current borrowings ('debt') were $2,991,849 (30 June 2018: $3,287,542).
- Net debt (debt less cash), at 30 June 2019 was $2,152,387, an increase of $1,424,621 or 196% from $727,766 at 30 June 2018.
- Net assets at 30 June 2019 were $948,113 (30 June 2018: $4,655,431).

The financial statements have been prepared on a going concern basis. Refer to Note 2 of the financial statements and the auditor's review report attached for further information.

Significant changes in the state of affairs

On 25 July 2018, the Company agreed to issue Performance Rights ('PRs') to employees. The three-year PRs are based on share price and earnings per share targets and the maximum number of shares that can be issued on conversion is 6,000,000.

On 25 July 2018, the Company cancelled the second issue of PRs. The three-year PRs were issued on 14 July 2017 and were based on share price and earnings per share targets. The maximum number of shares that could be issued on conversion was 6,000,000.

On 21 December 2018, following shareholder approval, the Company changed its name from Crowd Mobile Limited to Crowd Media Holdings Limited. The new name more accurately encompasses the current and future operations of the Company. The ASX issuer code remained as CM8.

On 12 April 2019, the Company completed its debt refinancing with BillFront Limited, a leading finance provider to the Media and Technology industries internationally. The debt facility with BillFront was used to redeem the JGB loan in full on materially improved terms. The debt facility is structured as a two year revolving credit facility, senior secured against all of the Company's assets including receivables. The outstanding balance at 30 June 2019 was EUR€1,339,835 (AUD$2,169,032), with an effective annual interest rate of 11.3% and the maturity date is 12 April 2021.

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

Matters subsequent to the end of the financial year

On 31 July 2019, the Company agreed to issue Performance Rights ('PRs') to employees. The PRs are based on share price targets and the maximum number of shares that can be issued on conversion is 5,500,000 at two years and 5,500,000 at three years.

On 31 July 2019, the Company agreed not to proceed with the PRs previously agreed to be issued on 25 July 2018. The three year PRs were based on share price and earnings per share targets and the maximum number of shares that could be issued on conversion was 6,000,000.

On 29 August 2019, the Company executed a binding Heads of Agreement ('HOA') with an alliance of strategic investors, collectively the Invincible Investment Consortium ('IIC'), to fund existing Company requirements, as well as develop new business synergies and joint ventures between Crowd Media and businesses that the IIC can introduce and facilitate. These would leverage Crowd Media's well-established technology and digital marketing platforms. Under the agreement, Crowd Media will issue IIC (and/or their nominees) with convertible notes with a face value of up to $3,700,000 on the following key terms:

- Tranche 1: $1,700,000 20 month facility with a fixed conversion price of 1.8 cents, of which $1,600,000 has been received as at 19 September 2019: and
- Tranche 2: $2,000,000 24-month facility, to be drawn down in 90 days with a fixed conversion price of 2.0 cents, subject to the parties agreeing to a business plan which focusses on strategic collaboration objectives.

As part of the investment and collaboration under the agreement, IIC principals Steven Schapera and Robert Quandt will be joining the Crowd Media Board of Directors in September 2019. Crowd Media's current Chairman, Theo Hnarakis, will be retiring from the Board to pursue other opportunities, and Steven Schapera will replace him as new Chairman.

Experience and Expertise of Steven Schapera - Steven is London-based; he co-founded the successful BECCA Cosmetic brand and, as global CEO, commercialised it into a range of cosmetic products that are distributed throughout Europe, Asia and North America. Steven guided BECCA, from its infancy through to being a global player in the international luxury cosmetic space, before exiting the business to Estee Lauder for AUD$300 million. Steven holds a number of Board positions, including non-exec director of ASX listed OBJ Limited, and has investments in the health, beauty, wellness and tech spaces.

Experience and Expertise of Robert Quandt - Robert worked for 10 years as a consultant for Booz & Company serving large corporate clients on strategy, operation and organisation. Subsequently, Robert has worked for Linde AG as the strategy lead for their EUR 6bn Americas business. Until recently, he has served as Board Director and COO/CFO of Invincible Brands. Invincible Brands is a Berlin-based Influencer led brand builder. Working alongside the co-founders, Robert has helped to grow this highly profitable business from EUR 7m revenue in 2016 to around €100m in 2019.

As part of the incoming investment by IIC, current CEO Domenic Carosa has agreed to reduce his remuneration package, beginning 1 September 2019 to EUR 240,000 per annum with an agreed 3-month notice period.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Directors and management of the Group will focus on targeting growth in the combined business operations, whilst paying down debt in cash, wherever possible.

Environmental regulation

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

Information on directors

Name	Theo Hnarakis
Title	Non-Executive Chairman
Experience and expertise	Theo Hnarakis brings a wealth of experience working in the media industry and scaling Australian ASX listed technology businesses. He graduated from The University of South Australia with a Bachelor of Accounting and has held senior roles with News Corporation, Boral Group, the PMP Communications Group and was the Managing Director and CEO of Melbourne IT until 2013. He has also held director roles with Neulevel, a JV with US based listed company, Neustar and with Advantate, a JV with Fairfax Media.
Other current directorships	Chairman of Dropsuite Ltd (ASX: DSE) (since 28 December 2016), Director of Farmgate MSU (non-listed)
Former directorships *(last 3 years)*	None
Special Responsibilities	None
Interests in shares	4,177,650 ordinary shares (held indirectly)
Interests in options	None
Interests in rights	None

Name	Domenic Carosa
Title	Chief Executive Officer and Executive Director
Qualifications	Masters of Entrepreneurship and Innovation (MEI) from Swinburne University
Experience and expertise	Domenic Carosa is Chief Executive Officer ('CEO') and Executive Director of Crowd Media. With over 20 years' experience in business and technology, Domenic has built a reputation as a leader in the internet space by building one of Australia's leading digital music service providers in the late 90's, and building from scratch Australia's second largest virtual web hosting/communications company which he sold for A$25 million in 2006-07. Domenic was previously the co-founder and Group CEO of ASX-listed Destra Corporation Ltd which was the largest independent media and entertainment company in Australia with revenues of over A$100 million. Mr Carosa was a director of Destra Limited until April 2009. Domenic is past Chairman of the Internet Industry Association (IIA). Domenic is Non-Executive Chairman of the Future Capital Development Fund and Non-Executive Chairman of Dominet Digital Corporation Pty Ltd, an internet investment group.
Other current directorships	None
Former directorships *(last 3 years)*	None
Special Responsibilities	None
Interests in shares	58,888 ordinary shares (held directly) 24,684,080 ordinary shares (held indirectly)
Interests in options	None
Interests in rights	None

Information on directors

Name	Sophie Karzis
Title	Non-Executive Director
Qualifications	Bachelor of Laws Degree from Monash University
Experience and expertise	Sophie is a practising lawyer with over 20 years' experience in corporate law. She is company secretary and general counsel to a number of listed and unlisted public companies and private companies and is the principal of Corporate Counsel Pty Ltd, a business which provides corporate and company secretarial services to Australian companies.
Other current directorships	Director of Change Up Holdings Limited (non-listed), Director of Collingwood Football Club Foundation (non-listed – not-for-profit)
Former directorships *(last 3 years)*	None
Special Responsibilities	Company secretary
Interests in shares	504,736 ordinary shares (held indirectly)
Interests in options	None
Interests in rights	None

'Other current directorships' quoted above are current directorships for listed entities and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Sophie Karzis was the Company Secretary for the financial year and is a Non-Executive Director. Refer to 'Information on directors' section above for experience and expertise.

Subsequent to 30 June 2019, Sophie resigned as Company Secretary and was replaced with Laura Newell, however, Sophie remains on the Board in her existing position as Non-Executive Director.

Laura Newell of Boardroom Pty Limited has worked in multiple Company Secretary roles prior to joining the Group and brings a significant degree of experience to Crowd Media Holdings Limited.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board	
	Attended	**Held**
Theo Hnarakis	14	14
Domenic Carosa	14	14
Sophie Karzis	13	14

'Held' represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having revenue and economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, and particularly growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors may receive share options or other incentives. Fees are reviewed annually and include superannuation contributions, where required. The non-executive directors do not receive any other benefits.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 9 December 2015, where the shareholders approved an aggregate remuneration of $500,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are paid as cash bonuses and are discretionary.

The long-term incentives (‘LTI’) may include equity based payments in the form of shares, performance rights or options. On 17 December 2014, shareholders approved a Performance Rights Plan ('PR Plan'). Under the PR Plan, selected employees and Directors may be granted performance rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives.

On 25 July 2018, the Company agreed to issue Performance Rights to employees. The three-year PRs are based on share price and earnings per share targets and the maximum number of shares that can be issued on conversion is 6,000,000.

Performance rights may be issued to all employees and Directors of the Company and any Subsidiary. The number of performance rights (if any) to be offered from time to time to each person shall be determined by the Board in its discretion. The performance rights in respect of an employee will vest no earlier than on meeting the relevant Performance Condition(s). Unissued performance rights will be issued pro-rata at the time the relevant Performance Condition is met. The employee must still be employed by the Company at the time of vesting, unless otherwise agreed by the Board in limited circumstances. Any performance rights that have been earned but remain unvested will vest in the event of a takeover or similar event occurring. Should the holder of performance rights resign, all rights not yet vested will be forfeited.

The Company established an employee option plan in 2015 called the Crowd Mobile Limited Executive Option Plan (‘Option Plan’), which replaces the former Q Limited Incentive Option Scheme. The Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel (and Directors) of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

As a legacy tool, the Company has so far maintained, though not activated, The Q Limited Share Plan (‘Q Plan’) which was established in 2011 fiscal year as part of the then remuneration strategy and the Q Plan currently holds a minor shareholding in the Company.

All LTI incentives are designed and used specifically to align management and shareholder’s interests and to assist the Company in the attraction, motivation and retention of appropriately skilled staff. In particular, the plans are designed to provide relevant executives with an incentive for future performance and typically include vesting conditions under the plans.

Group performance and link to remuneration
Remuneration for key management personnel is not directly linked to performance of the Group.

Use of remuneration consultants
During the financial year ended 30 June 2019, the Company did not engage remuneration consultants to review its existing remuneration policies or provide recommendations on how to improve incentive programs.

Voting and comments made at the Company's 2018 Annual General Meeting ('AGM')
At the 28 November 2018 AGM, 80.97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

The key management personnel of the Group consisted of the directors of Crowd Media Holdings Limited and the following persons:

- Antoaneta Ignatovska - Chief Financial Officer (resigned 1 June 2019, effective 31 July 2019);
- Michel de Jong - Chief Operating Officer (made redundant, effective 30 September 2019);
- Gregor Cooney - General Manager - Q&A (resigned, effective 31 December 2018); and
- Melanie Mouldenhauer – Chief Financial Officer (appointed 1 June 2019).

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Termination payments $	Super-annuation $	Leave benefits $	Equity settled $	Total $
Non-Executive Directors								
T Hnarakis	144,318	-	-	-	13,710	-	-	158,028
S Karzis	119,449	-	-	-	-	-	-	119,449
Executive Directors								
D Carosa*	581,232	-	2,587	-	5,700	-	-	589,519
Other Key Management Personnel								
A Ignatovska	288,826	-	1,149	-	-	-	-	289,975
M de Jong	339,626	15,787	6,733	-	-	-	-	362,146
G Cooney**	127,671	-	1,432	-	-	-	-	129,103
M Mouldenhauer***	16,269	-	-	-	-	-	-	16,269
	1,617,391	15,787	11,901	-	19,410	-	-	1,664,489

** D Carosa remuneration includes mobility premium for secondment to The Netherlands of $209,350 (effective date 1 July 2016)*
*** Remuneration is for the period from 1 July to date of resignation or termination as a director or key management personnel*
**** Remuneration is for the period from appointment as a director or key management personnel*

2018	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus (a) $	Non-monetary $	Termination payments $	Super-annuation $	Leave benefits $	Equity settled (b) $	Total $
Non-Executive Directors								
T Hnarakis	150,000	-	-	-	14,250	-	53,269	217,519
S Karzis	109,307	-	-	-	-	-	23,557	132,864
Executive Directors								
D Carosa*	584,816	29,326	3,050	-	5,700	-	145,577	768,469
Other Key Management Personnel								
A Ignatovska **	53,490	15,720	188	-	-	-	-	69,398
C Shaw ***	344,739	34,633	-	153,765	32,219	-	23,329	588,685
M de Jong **	76,806	-	1,662	-	-	-	-	78,468
G Cooney	243,598	45,925	6,549	-	-	-	13,858	309,930
	1,562,756	125,604	11,449	153,765	52,169	-	259,590	2,165,333

** D Carosa remuneration includes mobility premium for secondment to The Netherlands of $210,790 (effective date 1 July 2016)*
*** Remuneration is for the period from appointment as director or key management personnel*
**** Remuneration is for the period from 1 July to date of resignation or termination as director or key management personnel*
(a) Cash bonus relates to prior period targets.
(b) The Company cancelled all Director options in FY-18, hence there was nil financial benefit to the Directors.

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2019	2018	2019	2018	2019	2018
Non-Executive Directors						
T Hnarakis	100%	76%	-	-	-	24%
S Karzis	100%	82%	-	-	-	18%
Executive Directors						
D Carosa	100%	77%	-	4%	-	19%
Other Key Management Personnel						
A Ignatovska	100%	77%	-	23%	-	-
C Shaw	-	90%	-	6%	-	4%
M de Jong	96%	98%	4%	2%	-	-
G Cooney	100%	79%	-	17%	-	4%
M Mouldenhauer	100%	-	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Domenic Carosa
Title	Executive Director and Chief Executive Officer
Agreement commenced	13 January 2015
Term of agreement	Ongoing
Details	Base annual package*, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 12 month termination notice by either party. 6 month non-solicitation clause after termination. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. ** Base annual package - Netherlands annual package €350,000 per annum (reduced to €315,000 per annum for the period from 1 February 2019 to 30 June 2019 and to €240,000 effective 1 September 2019) plus statutory social security, plus Australian Director Fees of $60,000 per annum plus statutory superannuation*

Name	Antoaneta Ignatovska
Title	Chief Financial Officer (resigned 1 June 2019, effective 31 July 2019)
Agreement commenced	27 April 2018
Term of agreement	Ongoing
Details	Base annual package, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 4 months termination by employer, 2 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. ** Base annual package - €180,000 plus statutory social security*

Name	Michel de Jong
Title	Chief Operating Officer (made redundant, effective 30 September 2019)
Agreement commenced	27 April 2018
Term of agreement	Ongoing
Details	Base annual package, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 4 months termination by employer, 2 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. ** Base annual package - €214,256 plus statutory social security*

Name	Gregor Cooney
Title	General Manager – Q&A (resigned, effective 31 December 2018)
Agreement commenced	1 February 2016
Term of agreement	Ongoing
Details	Base annual package, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 4 months termination by employer, 2 months by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. ** Base annual package - €158,000 plus statutory social security*

Name	Melanie Mouldenhauer
Title	Chief Financial Officer
Agreement commenced	1 June 2019
Term of agreement	Ongoing
Details	Base annual package, performance based, 'at-risk' STI and discretionary share based LTI remuneration, subject to annual performance review. 2 months termination by employer, 1 month by executive. The Company may terminate the agreement with cause in certain circumstances such as gross misconduct. ** Base annual package - €115,800 plus statutory social security*

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no other options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

Additional information

The earnings of the Group for the four years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $
Sales revenue	23,918.776	38,552,347	43,887,388	36,994,826
EBITDA	(5,587,380)	(23,157,246)	9,407,765	6,315,439
Total comprehensive income for the year attributable to the owners of Crowd Media Holdings Limited	(4,284,757)	(25,640,051)	(251,234)	379,882

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

	2019	2018	2017	2016
Share price at financial year end ($)	0.01	0.04	0.14	0.16
Basic earnings per share *(cents per share)*	(2.10)	(11.71)	(0.05)	0.56
Diluted earnings per share *(cents per share)*	(2.10)	(11.71)	(0.05)	0.47

Additional disclosures relating to key management personnel

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 Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / other	Balance at the end of the year
Ordinary shares					
T Hnarakis	2,782,914	-	1,394,736	-	4,177,650
D Carosa	22,004,529	-	2,738,439	-	24,742,968
S Karzis	110,000	-	394,736	-	504,736
G Cooney	333,334	-	-	-	333,334
	25,230,777	-	4,527,911	-	29,758,688

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 Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
Options over ordinary shares					
T Hnarakis	211,012	-	-	(211,012)	-
D Carosa	781,250	-	-	(781,250)	-
S Karzis	10,000	-	-	(10,000)	-
	1,002,262	-	-	(1,002,262)	-

All options lapsed during the year.

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired / forfeited / other	Balance at the end of the year
Performance rights over ordinary shares					
D Carosa	1,250,000	-	-	(1,250,000)	-
G Cooney	666,666	-	-	(666,666)	-
	1,916,666	-	-	(1,916,666)	-

All performance rights lapsed during the year.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Crowd Media Holdings Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise price	Number under option
2 April 2019	2 April 2022	$0.050	2,000,000

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

Shares under performance rights
Unissued ordinary shares of Crowd Media Holdings Limited under performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Number under rights
31 July 2019	31 July 2022	11,000,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Crowd Media Holdings Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Crowd Media Holdings Limited issued on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.
During the financial year, the Company paid a premium in respect of a contract to insure the directors and 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.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners
There are no officers of the Company who are former partners of RSM Australia Partners.

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 immediately after this directors' report.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Theo Hnarakis
Crowd Media Holdings Limited - Chairman

19 September 2019
Melbourne

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Crowd Mobile Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 19 September 2019
Melbourne, Victoria

Statement of profit or loss and other comprehensive income *For the year ended 30 June 2019*

	Notes	Consolidated 2019 $	2018 $
Revenue			
Revenue from continuing operations	5	23,918,776	38,552,347
Other income		-	5,262
		23,918,776	38,557,609
Cost of sales		(7,167,258)	(9,219,751)
Gross profit		16,751,518	29,337,858
Net fair value gain on financial assets		106,902	-
Interest revenue calculated using the effective interest method		1,991	2,655
Expenses			
Marketing		(6,993,715)	(11,261,186)
Administration and other expenses		(2,774,060)	(2,538,566)
Consultants		(2,280,087)	(1,462,798)
Depreciation and amortisation expense	6	(209,128)	(3,648,101)
Employee benefits expense		(8,663,575)	(9,239,409)
Travel and accommodation		(407,662)	(883,554)
Product development		(143,465)	(831,494)
Share-based payment	6	(24,750)	(382,380)
Allowance for expected credit losses		(1,158,485)	(533,673)
Impairment of intangibles	13	-	(25,380,044)
Finance costs	6	(582,894)	(1,528,206)
Loss before income tax benefit		(6,377,410)	(23,348,898)
Income tax benefit	7	1,581,426	2,307,626
Loss after income tax benefit for the year attributable to the owners of Crowd Media Holdings Limited	23	(4,795,984)	(26,041,272)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		511,227	401,221
Other comprehensive income for the year, net of tax		511,227	401,221
Total comprehensive income for the year attributable to the owners of Crowd Media Holdings Limited		(4,284,757)	(25,640,051)
		Cents	**Cents**
Basic earnings per share	34	(2.10)	(11.71)
Diluted earnings per share	34	(2.10)	(11.71)

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

Statement of financial position *As at 30 June 2019*

	Notes	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	8	839,462	2,559,776
Trade and other receivables	9	2,170,127	2,392,305
Accrued income	10	2,752,300	5,427,467
Income tax receivable		334,075	343,949
Other	11	316,424	495,149
Total current assets		6,412,388	11,218,646
Non-current assets			
Property, plant and equipment	12	352,892	498,368
Intangibles	13	613,994	713,888
Deferred tax	14	1,579,919	479,968
Total non-current assets		2,546,805	1,692,224
Total assets		8,959,193	12,910,870
Liabilities			
Current liabilities			
Trade and other payables	15	4,093,412	4,780,392
Deferred revenue	16	176,345	105,101
Borrowings	17	-	3,287,542
Employee benefits	18	46,098	82,404
Provisions		550,909	-
Total current liabilities		4,866,764	8,255,439
Non-current liabilities			
Borrowings	19	2,991,849	-
Derivative financial instruments	20	152,467	-
Total non-current liabilities		3,144,316	-
Total liabilities		8,011,080	8,255,439
Net assets		948,113	4,655,431
Equity			
Issued capital	21	28,720,072	28,167,383
Reserves	22	5,062,673	4,739,547
Accumulated losses	23	(32,834,632)	(28,251,499)
Total equity		948,113	4,655,431

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

Statement of changes in equity *For the year ended 30 June 2019*

Consolidated	Issued Capital $	Foreign currency reserve $	Share-based payments reserve $	Convertible note optionality reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2017	28,165,539	(663,174)	4,406,269	212,851	(2,210,227)	29,911,258
Loss after income tax benefit for the year	-	-	-	-	(26,041,272)	(26,041,272)
Other comprehensive income for the year, net of tax	-	401,221	-	-	-	401,221
Total comprehensive income for the year	-	401.221	-	-	(26,041,272)	(25,640,051)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	100,000	-	-	-	-	100,000
Share-based payment (note 35)	-	-	382,380	-	-	382,380
Share buy-back (note 21)	(98,156)	-	-	-	-	(98,156)
Balance at 30 June 2018	28,167,383	(261,953)	4,788,649	212,851	(28,251,499)	4,655,431

Consolidated	Issued Capital $	Foreign currency reserve $	Share-based payments reserve $	Convertible note optionality reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2018	28,167,383	(261,953)	4,788,649	212,851	(28,251,499)	4,655,431
Loss after income tax benefit for the year	-	-	-	-	(4,795,984)	(4,795,984)
Other comprehensive income for the year, net of tax	-	511,227	-	-	-	511,227
Total comprehensive income for the year	-	511,227	-	-	(4,795,984)	(4,284,757)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	552,689	-	-	-	-	552,689
Share-based payment (note 35)	-	-	24,750	-	-	24,750
Transfers	-	-	-	(212,851)	212,851	-
Balance at 30 June 2019	28,720,072	249,274	4,813,399	-	(32,834,632)	948,113

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

Statement of cash flows *For the year ended 30 June 2019*

	Notes	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		26,868,408	41,422,590
Payments to suppliers and employees (inclusive of GST)		(29,500,532)	(36,165,893)
Interest received		20,948	2,655
Other revenue		106,902	-
Interest and other finance costs paid		(430,427)	(1,528,206)
Income taxes refunded		491,349	-
Income taxes paid		-	(1,091,931)
Net cash from/(used in) operating activities	33	(2,443,352)	2,639,215
Cash flows from investing activities			
Payments for property, plant and equipment	12	(14,352)	(342,163)
Payments for intangibles	13	(51,826)	(175,823)
Proceeds from disposal of property, plant and equipment		6,505	-
Proceeds from disposal of intangibles		137,904	-
Proceeds from release of security deposits		42,305	1,231
Net cash from/(used in) investing activities		120,536	(516,755)
Cash flows from financing activities			
Proceeds from issue of shares	21	428,957	100,000
Payments for share buy-backs	21	-	(98,156)
Proceeds from borrowings - Obsidian		404,420	-
Proceeds from borrowings - NTH Mobile Limited		418,397	-
Proceeds from borrowings - BillFront		2,169,032	-
Repayment of borrowings - JGB		(3,287,542)	(4,636,305)
Repayment of borrowings - other		-	(27,696)
Net cash from/(used in) financing activities		133,264	(4,662,157)
Net decrease in cash and cash equivalents		(2,189,552)	(2,539,697)
Cash and cash equivalents at the beginning of the financial year		2,559,776	5,200,089
Effects of exchange rate changes on cash and cash equivalents		469,238	(100,616)
Cash and cash equivalents at the end of the financial year	8	839,462	2,559,776

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

Note 1. General information

The financial statements cover Crowd Media Holdings Limited as a consolidated entity consisting of Crowd Media Holdings Limited (referred to as 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Crowd Media Holdings Limited's functional and presentation currency.

Crowd Media Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
44 Gwynne Street
Cremorne VIC 3121

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of the adoption on opening retained earnings as at 1 July 2018.

AASB 15 uses the term 'contract assets' and 'contract liabilities'. To maintain consistency in presentation with prior periods, the Group has retained the use of 'accrued revenue' and 'deferred revenue', respectively.

Note 2. Significant accounting policies *(continued)*

Going concern

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

As disclosed in the financial statements the Group incurred a loss of $4,795,984 (30 June 2018: loss of $26,041,272) and had negative operating cash flows of $2,443,352 (30 June 2018: positive cashflows $2,639,215).

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group expects to achieve profitability by completing its cost saving measures and utilising growth opportunities from its media business in the next year; and
- The Group's proven record of being able to raise funds to support its business plan, which includes receiving an additional $1,600,000 of funding through a convertible loan note facility (refer to note 36).

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 ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Crowd Media Holdings Limited as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Crowd Media Holdings Limited's functional and presentation currency.

Note 2. Significant accounting policies *(continued)*

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.
The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grant income
Grant income is recognised when it is received or when the right to receive payment is established.

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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

Note 2. Significant accounting policies *(continued)*

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
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.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. The financial statements include the recognition of accrued revenue which is used to refer to a class of contract assets.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Significant accounting policies *(continued)*

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	1.5 - 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life & the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Distribution network
Significant investments in relation to distribution networks and messaging systems are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 4.7 years.

Note 2. Significant accounting policies *(continued)*

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 6 years.

Databases
Costs in relation to databases are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 6 years.

Impairment of non-financial assets
Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer. These financial statements include the recognition of deferred revenue which is a term used to refer to a class of contract liabilities.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibit characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

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

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries and other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 2. Significant accounting policies *(continued)*

Other long-term employee benefits
Employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Significant accounting policies *(continued)*

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Crowd Media Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset and lease liability are recognised at the commencement of the lease. The right-of-use asset is recognised at an amount that is equivalent to the initial measurement of the lease liability, adjusted by the amount of any prepaid or accrued lease payments previously recognised in the statement of financial position in relation the lease and an estimate of any future restoration, removal or dismantling costs. The lease liability is recognised at the present value of future lease payments comprising fixed lease payments less incentives, variable lease payments, residual guarantees payable, payment of purchase options where exercise is reasonably certain, and any anticipated termination penalties. The lease payments are discounted at the entity’s incremental borrowing rate. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. Under the new standard, the previous straight-line operating lease expense recognition will be replaced with a depreciation charge of the right-of-use asset (classified as operating costs) together with an interest expense on the recognised lease liability (classified as finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will improve as the operating expense is replaced by interest and depreciation expenses in profit or loss under AASB 16.

For classification within the statement of cash flows, under AASB 16, the lease payments will be separated and reclassified as payment of principal (financing activities) and interest (either operating or financing activities). For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Given the limited number of operating leases the Group has on hand with its properties, there will be no material impact on the statement of financial position. A right of use asset and lease liability will be recognised, estimated to be approximately $0.65m. There will be no material impact on a net basis.

New Conceptual Framework for Financial Reporting
A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the Group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the Group may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 35 for details of inputs utilised in calculating the fair value of the equity instrument.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated pre-tax discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current & deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments: Mobile Content - Q & A (‘Q&A’), Mobile Content - Subscription (‘Subscription’) and Crowd Media ('Crowd Media'). The Company operates mobile content businesses globally but predominantly in Europe and Australasia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Q&A operating segment recognises all corporate costs including public company costs, acquisition costs, share based payments expense and restructure costs.

For operating segment performance, the CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Mobile Content **Q&A**	Crowd Mobile proprietary Q&A micro job platform technology that facilitates Q&A entertainment products via various Direct Carrier Billing, SMS and App product offerings.
Mobile Content **Subscription**	Crowd Mobile subscription based, broad content offering of products such as mobile security, games and video portals via an m-payments network.
Crowd Media	Crowd Media works with brands and digital influencers to provide social media marketing, digital influencer advertising and commerce platform and 3rd party affiliate revenues.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Note 4. Operating segments *(continued)*

Operating segment information

Consolidated - 2019	Q&A* $	Subscription $	Crowd Media $	Total $
Revenue				
Sales to external customers	15,923,286	6,361,291	1,634,199	23,918,776
Interest income	1,991	-	-	1,991
Total revenue	15,925,277	6,361,291	1,634,199	23,920,767
EBITDA	(3,299,165)	427,500	(1,664,132)	(4,535,797)
Depreciation and amortisation	(71,176)	(129,612)	(8,340)	(209,128)
Allowance for expected credit losses	(978,258)	(147,338)	(32,889)	(1,158,485)
Interest income	1,991	-	-	1,991
Finance costs	1,799,374	(2,376,698)	(5,570)	(582,894)
Other non-cash expenses	106,903	-	-	106,903
Loss before income tax benefit	(2,440,331)	(2,226,148)	(1,710,931)	(6,377,410)
Income tax benefit				1,581,426
Loss after income tax benefit				(4,795,984)
Assets				
Segment assets	5,320,341	3,385,513	253,339	8,959,193
Total assets				8,959,193
Liabilities				
Segment liabilities	5,605,533	1,994,227	411,320	8,011,080
Total liabilities				8,011,080

* Q&A segment includes Group Corporate costs

Note 4. Operating segments *(continued)*

Consolidated - 2018	Q&A* $	Subscription $	Crowd Media $	Total $
Revenue				
Sales to external customers	24,736,054	13,323,863	492,430	38,552,347
Other revenue	5,262	-	-	5,262
Interest income	2,655	-	-	2,655
Total revenue	25,743,971	13,323,863	492,430	38,560,264
EBITDA	2,661,138	3,021,051	(2,558,683)	3,123,506
Depreciation and amortisation	(125,663)	(3,522,438)	-	(3,648,101)
Impairment of assets	-	(25,913,717)	-	(25,913,717)
Finance costs	(1,528,206)	-	-	(1,528,206)
Other non-cash expenses	(382,380)	-	-	(382,380)
Profit/(Loss) before income tax benefit	624,889	(26,415,104)	(2,558,683)	(28,348,898)
Income tax benefit				2,307,626
Loss after income tax benefit				(26,041,272)
Assets				
Segment assets	6,902,832	6,008,038	-	12,910,870
Total assets				12,910,870
Liabilities				
Segment liabilities	(9,070,676)	17,326,115	-	8,255,439
Total liabilities				8,255,439

* Q&A segment includes Group Corporate costs

Geographical information

	Revenue		Geographical non-current assets	
	2019 $	2018 $	2019 $	2018 $
Australasia	776,353	4,574,281	597,714	681,007
Europe	20,692,287	31,458,934	369,173	531,250
Latin America	1,773,305	1,936,733	-	-
Other	676,831	582,399	-	-
	23,918,776	38,552,347	966,887	1,212,257

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 2019	Q&A* $	Subscription $	Crowd Media $	Total $
Major product lines				
Information	15,923,286	-	-	15,923,286
Entertainment and content	-	6,361,291	-	6,361,291
Marketing agency	-	-	1,634,199	1,634,199
	15,923,286	6,361,291	1,634,199	23,918,776
Geographical regions				
Australasia	534,639	241,714	-	776,353
Europe	14,131,857	5,372,447	1,187,983	20,692,287
Latin America	1,251,064	522,241	-	1,773,305
Other	5,726	224,889	446,216	676,831
	15,923,286	6,361,291	1,634,199	23,918,776
Timing of revenue recognition				
Goods transferred at a point in time	15,923,286	6,361,291	-	22,284,577
Services transferred over time	-	-	1,634,199	1,634,199
	15,923,286	6,361,291	1,634,199	23,918,776

Disaggregation of revenue disclosure are required by AASB 15. As AASB 15 was adopted using the modified retrospective approach, comparatives have not been provided.

Note 6. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Property, plant and equipment (note 12)	192,988	219,474
Amortisation		
Intangibles (note 13)	16,140	3,428,627
Total depreciation and amortisation	209,128	3,648,101
Impairment		
Impairment of intangibles (note 13)	-	25,380,044
Allowance for expected credit losses	1,158,485	533,673
Total impairment	1,158,485	25,913,717
Finance costs		
Interests and finance charges paid	582,894	1,528,206
Rental expense relating to operating leases		
Minimum lease payments	407,815	492,642
Superannuation expense		
Defined contribution superannuation expense	62,263	110,957
Share-based payments expense		
Share-based payments expense	24,750	382,380

Note 7. Income tax benefit

	Consolidated 2019 $	Consolidated 2018 $
Income tax benefit		
Current tax	(25,761)	(38,775)
Deferred tax - origination and reversal of temporary differences	(1,555,665)	(2,268,851)
Aggregate income tax benefit	(1,581,426)	(2,307,626)
Deferred tax included in income tax benefit comprises		
Decrease/(increase) in deferred tax assets (note 14)	(1,555,665)	278,286
Decrease in deferred tax liabilities	-	(2,547,137)
Deferred tax - origination and reversal of temporary differences	(1,555,665)	(2,268,851)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(6,377,410)	(28,348,898)
Tax at the statutory tax rate of 30%	(1,913,223)	(8,504,669)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Entertainment expenses	3,331	18,320
Track impairment	-	7,614,013
Share-based payments	7,425	114,714
Employee entitlement accruals	9,258	3,620
Interest expense (JGB Optionality)	9,824	29,472
Other items (net)	14,621	(83,530)
	(1,868,764)	(808,060)
Differences in overseas tax rates	287,338	(1,499,566)
Income tax benefit	(1,581,426)	(2,307,626)

	Consolidated 2019 $	Consolidated 2018 $
Amounts charged directly to equity		
Deferred tax assets (note 14)	455,714	-

Note 8. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at Bank	839,462	2,559,776

Note 9. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Trade receivables	3,903,833	2,947,400
Less: Allowance for expected credit losses (2018: Provision for impairment of receivables)	(1,792,223)	(633,742)
Aggregate income tax benefit	2,111,610	2,313,658
Other receivables	811	1,984
Interest receivable	57,706	76,663
	2,170,127	2,392,305

Allowance for expected credit losses

The Group has recognised a loss of $1,158,485 in profit or loss in respect of the expected credit losses for the year ended 30 June 2019.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated - 2019	Expected credit loss rate 2019 %	Carrying amount 2019 $	Allowance for expected credit losses 2019 $
Not overdue	5%	1,606,562	75,578
0 to 3 months overdue	13%	565,988	73,578
3 to 6 months overdue	69%	73,428	50,665
6 to 9 months overdue	91%	727,263	661,810
Over 9 months overdue	100%	930,592	930,592
		3,903,833	1,792,223

Past due but not impaired

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated 2018	Within initial trade terms $	<30 days overdue $	30-60 days overdue $	>60 days overdue $	Past due and impaired $	Total $
Trade receivables	1,597,948	293,686	114,371	307,653	633,742	2,947,400
Accrued income	5,427,467	-	-	-	-	5,427,467
Other receivables	1,984	-	-	-	-	1,984
Interest receivables	76,663	-	-	-	-	76,663
	7,104,062	293,686	114,371	307,653	633,742	8,453,514

Note 10. Current assets - accrued income

	Consolidated	
	2019 $	2018 $
Accrued income	2,752,300	5,427,467

AASB 15 uses the term 'contract assets' and 'contract liabilities' to maintain consistency in presentation with prior periods, the Group has retained the use of 'accrued income' and 'deferred revenue', respectively.

Note 11. Current assets - other

	Consolidated	
	2019 $	2018 $
Prepayments	241,327	419,336
Security deposits	8,098	50,403
Other deposits	66,999	25,410
	316,424	495,149

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2019 $	2018 $
Plant and equipment - at cost	983,954	1,408,846
Less: accumulated depreciation	(631,062)	(910,478)
	352,892	498,368

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $
Balance at 1 July 2017	400,397
Additions	342,163
Exchange differences	(24,718)
Depreciation expense	(219,474)
Balance at 30 June 2018	498,368
Additions	14,352
Disposals	(6,505)
Exchange differences	39,665
Depreciation expense	(192,988)
Balance at 30 June 2019	352,892

Note 13. Non-current assets - intangibles

	Consolidated	
	2019 $	2018 $
Goodwill after impairment	317,214	317,214
Intellectual property	2,714,980	2,714,828
Less: Accumulated amortisation	(2,616,054)	(2,614,786)
	98,926	100,042
Distribution network - at cost	13,600,006	13,206,293
Less: Accumulated amortisation	(8,191,809)	(7,948,401)
Less: Impairment	(5,408,197)	(5,251,603)
	-	6,289
Software - at cost	3,085,181	3,014,833
Less: Accumulated amortisation	(969,293)	(955,515)
Less: Impairment	(2,114,833)	(2,053,598)
	1,055	5,720
Databases - at cost	621,900	621,900
Less: Accumulated amortisation	(456,899)	(456,899)
	165,001	165,001
Website and other intangibles - at cost	36,892	120,864
Less: Accumulated amortisation	(5,094)	(1,242)
	31,798	119,622
	613,994	713,888

Note 13. Non-current assets - intangibles *(continued)*

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Intellectual property $	Distribution network $	Software $	Databases $	Website and other intangibles $	Total $
Balance: 1/07/2017	17,538,217	46,759	8,405,717	1,958,467	190,304	-	28,139,464
Additions	-	55,380	-	-	-	120,864	176,244
Disposals	-	-	-	(25,245)	-	-	(25,245)
Exchange differences	853,840	(2,097)	259,452	120,901	-	-	1,232,096
Impairment of assets	(18,074,843)	-	(5,251,603)	(2,053,598)	-	-	(25,380,044)
Amortisation expense	-	-	(3,407,277)	5,195	(25,303)	(1,242)	(3,428,627)
Balance: 30/06/2018	317,214	100,042	6,289	5,720	165,001	119,622	713,888
Additions	-	-	-	-	-	51,826	51,826
Disposals	-	-	-	-	-	(137,904)	(137,904)
Exchange differences	-	99	154	-	-	2,071	2,324
Amortisation expense	-	(1,215)	(6,443)	(4,665)	-	(3,817)	(16,140)
Balance: 30/06/2019	317,214	98,926	-	1,055	165,001	31,798	613,994

Goodwill acquired through business combinations is allocated to cash generating units, as follows:

	Consolidated	
Cash generating unit	2019 $	2018 $
Q&A		
Bongo IP Ltd	230,774	230,774
Global AQA IP Pty Ltd	64,393	64,393
Buddy IP Pty Ltd	22,047	22,047
	317,214	317,214

Note 14. Non-current assets - deferred tax

	Consolidated	
	2019 $	2018 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,326,003	-
Employee benefits	8,979	11,791
Transaction fees (blackhole expenditure)	341,521	455,637
Provisions	352,015	-
Other	7,115	12,540
	2,035,633	479,968
Amounts recognised in equity:		
Foreign exchange revaluation	(455,714)	-
Deferred tax asset	1,579,919	479,968
Movements:		
Opening balance	479,968	758,254
Credited/(charged) to profit or loss (note 7)	1,555,665	(278,286)
Charged to equity (note 7)	(455,714)	-
Closing balance	1,579,919	479,968

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2019 $	2018 $
Trade payables	1,921,970	2,568,426
Accrued expenses and other payables	2,171,442	2,211,966
	4,093,412	4,780,392

Refer to note 25 for further information on financial instruments.

Note 16. Current liabilities - deferred revenue

	Consolidated	
	2019 $	2018 $
Deferred revenue	176,345	105,101

AASB 15 uses the term ‘contract assets’ and ‘contract liabilities’. To maintain consistency in presentation with prior periods, the Group has retained the use of ‘accrued income’ and ‘deferred revenue’, respectively.

Note 17. Current liabilities - borrowings

Consolidated	2019 $	2018 $
Convertible notes payable - JGB	-	3,287,542

- The JGB convertible note balance was paid in full upon refinancing with BillFront on 12 April 2019
- Refer to note 19 for further information on assets pledged as security.
- Refer to note 25 for further information on financial instruments

Note 18. Current liabilities - employee benefits

Consolidated	2019 $	2018 $
Employee benefits	46,098	82,404

Note 19. Non-current liabilities - borrowings

Consolidated	2019 $	2018 $
Loans payable - NTH Mobile Limited	418,397	-
Loans payable - BillFront	2,169,032	-
Convertible notes payable - Obsidian	404,420	-
	2,991,849	-

Refer to note 25 for further information on financial instruments

Loans payable – NTH Mobile Limited

The NTH Mobile Limited balance date debt is EUR€261,500. The principal balance and interest, payable at a fixed annual rate of 3.99%, is due upon maturity at 25 September 2020.

Loans payable – BillFront

The BillFront note balance date debt is EUR€1,339,835. The note is a two-year revolving credit facility with a maximum aggregate outstanding amount of EUR€1,750,000. It is senior secured against all of the Company's assets, including receivables. The effective annual interest rate is 11.3% and the maturity date is 12 April 2021.

Convertible notes payable – Obsidian

On 6 June 2019, the Company entered into a Convertible Securities Agreement with Obsidian Global Partners, LLC ('Obsidian'), pursuant to which Obsidian may invest up to AUD$1,500,000 in cash across two tranches in return for convertible notes in the Company. The first tranche was executed on 12 June 2019, pursuant to which the Company raised AUD$750,000 (less associated fees and costs) and issued 5,259 convertible notes with a face value of USD$120 each. On 28 June 2019, Obsidian converted 500 notes to shares. As the transaction did not meet the fixed-for-fixed test, the conversion option is recorded as a derivative liability and measured at fair value (refer note 20).

The second tranche, in which Obsidian may invest a further AUD$750,000 in the Company, is intended to occur no earlier than 90 days after the date of the first tranche (12 June 2019) and is subject to the Company satisfying certain conditions, including obtaining approval of its shareholders.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Consolidated	2019 $	2018 $
Loans payable - NTH Mobile Limited	418,397	-
Loans payable - BillFront	2,169,032	-
Convertible notes payable - JGB	-	3,287,542
Convertible notes payable - Obsidian	404,420	-
	2,991,849	3,287,542

Note 20. Non-current liabilities - derivative financial instruments

Consolidated	2019 $	2018 $
Convertible notes derivative liability	152,467	-

- Refer to note 25 for further information on financial instruments.
- Refer to note 26 for further information on fair value measurement.

Note 21. Equity - issued capital

Consolidated	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	241,265,666	222,074,251	28,720,072	28,167,383

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 Jul 2017	219,683,699		28,165,539
Issue of shares on exercise of performance rights	15 Sep 2017	2,912,844		-
Issue of shares	5 Dec 2017	769,230	$0.130	100,000
Share buy-back	7 Jun 2018	(1,291,522)	$0.076	(98,156)
Balance	30 Jun 2018	222,074,251		28,167,383
Issue of shares	12 Dec 2018	11,288,179	$0.038	428,957
Issue of shares in satisfaction of commitment fees for new issue of convertible notes	12 Jun 2019	1,681,614		37,500
Issue of shares on conversion of convertible notes	28 Jun 2019	6,221,622	$0.014	86,232
Balance	30 Jun 2019	241,265,666		28,720,072

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

On 20 Apr 2018, the Company announced a buy-back of ordinary shares for holders of less than marketable parcels of shares in the Company. A total of 1,291,522 were sold at a price of 7.6 cent per share, being the Volume Weighted Average Price for the 5 days on which shares were traded between 11 Apr 2018 and 19 Apr 2018. The proceeds were distributed to the shareholders who participated in the Buy-Back before 20 June 2018. These shares were cancelled once transferred to the Company.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders &benefits for other stakeholders & to maintain an optimum capital structure to reduce the cost of capital.
Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group will pursue additional investments however in the short term the focus is to integrate and grow its existing businesses in order to maximise synergies.
The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.
The capital risk management policy remains unchanged from the 2018 Annual Report.

Note 22. Equity - reserves

Consolidated	2019 $	2018 $
Foreign currency reserve	249,274	(261,953)
Share-based payments reserve	4,813,399	4,788,649
Convertible note optionality reserve	-	212,851
	5,062,673	4,739,547

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note optionality reserve
The reserve is used to recognise the value of the optionality component of the convertible note over the life of the facility.

Note 23. Equity - accumulated losses

Consolidated	2019 $	2018 $
Accumulated losses at the beginning of the financial year	(28,251,499)	(2,210,227)
Loss after income tax benefit for the year	(4,795,984)	(26,041,272)
Transfer from convertible note optionality reserve	212,851	-
Accumulated losses at the end of the financial year	(32,834,632)	(28,251,499)

Note 24. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Due to our smaller size and less complex business and including the natural revenue and expense cash flow hedges in the Australian and European operations, whilst we maintain an active dialogue with foreign exchange providers, as yet the Group, to date, has not required the use of derivative financial instruments such as forward foreign exchange contracts to hedge risk. This may change in the future as our operations and related treasury needs develop. The Group uses different methods to measure different types of risk to which it is exposed. These methods may include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, as well as ageing analysis for credit risk.

Risk management is carried out between the CEO and key management personnel under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The CEO and CFO identify, evaluate and hedge financial risks within the Group's operating units (where appropriate) and report to the Board on a monthly basis.

Market risk
Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 25. Financial instruments *(continued)*

The average exchange rates and reporting date exchange rates applied were as follows:

Consolidated	Average exchange rates 2019	Average exchange rates 2018	Reporting date exchange rates 2019	Reporting date exchange rates 2018
Australian dollars				
United Kingdom Sterling	0.5525	0.5760	0.5522	0.5610
European Union Euros	0.6268	0.6500	0.6172	0.6330
United States Dollars	0.7151	0.7760	0.7015	0.7400
Hungarian Forint	201.6197	202.6040	199.0528	280.5860

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 2019 $	Assets 2018 $	Liabilities 2019 $	Liabilities 2018 $
Australian dollars	928,775	2,414,189	1,367,561	578,070
Euros	3,221,842	5,346,757	5,259,549	5,639,503
Pound Sterling	452,159	833,453	97,501	130,039
United States Dollar	977,641	1,091,473	353,877	631,248
Mexican Peso	337,803	411,624	74,984	-
Turkish Lira	393,953	238,209	33,010	-
South African Rand	364,892	553	4,777	-
Hungarian Forint	96,285	294,517	-	-
Other	722,246	303,868	563,287	4,684
	7,495,596	10,934,643	7,754,546	6,983,544

Sensitivity analysis

Consolidated - 2019	AUD strengthened % change	Effect on profit	Effect on equity	AUD weakened Effect on profit % change	Effect on profit	Effect on equity
United Kingdom Sterling	5%	114,831	114,831	(5%)	(114,831)	(114,831)
European Union Euros	5%	(62,617)	(62,617)	(5%)	62,617	62,617
Other currencies	5%	221,565	221,565	(5%)	(221,565)	(221,565)
		273,779	273,779		(273,779)	(273,779)

Consolidated - 2018	AUD strengthened % change	Effect on profit	Effect on equity	AUD weakened Effect on profit % change	Effect on profit	Effect on equity
United Kingdom Sterling	5%	95,027	95,027	(5%)	(95,027)	(95,027)
European Union Euros	5%	(1,175,952)	(1,175,952)	(5%)	1,175,952	1,175,952
Other currencies	5%	17,521	17,521	(5%)	(17,521)	(17,521)
		(1,063,404)	(1,063,404)		1,063,404	1,063,404

Note 25. Financial instruments *(continued)*

The analysis above has been carried out on the following basis:

- Management's estimate of what is reasonably possible for changes in exchange rates (i.e. 5%) for the financial year.
- Hedged transactions were not taken into consideration. It is reasonable to expect that fluctuations on the value of hedged items are almost fully offset by hedging instruments.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The policy is to maintain borrowings at fixed rates and to monitor fair value interest rate risk in Australia and Europe to ensure borrowings remain competitively priced. If deemed necessary, the Group may seek to utilise interest rate swaps or re-financing to achieve this when necessary.

As at the reporting date, the Group had the following borrowings:

	2019		2018	
Consolidated	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Loans payable - BillFront	11.25%	2,169,032	-	-
Loans payable - NTH	3.99%	418,397	-	-
Convertible notes payable - Obsidian	-	404,420	-	-
Convertible notes payable - JGB	-	-	15.00%	3,287,542
Net exposure to cash flow interest rate risk		2,991,849		3,287,542

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. To date, the significant portion of credit risk relates to the telecommunications aggregator companies from which the Group receives its cash flows after 7 to 180 days post month end. The Group tries to ensure that it transacts with the largest aggregator companies available in the various countries in which it conducts business and makes regular industry reference checks and sets credit limits to mitigate credit risk. If a risk concentration is deemed too great in a particular country then the Group seeks to utilise multiple aggregators.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Group has no significant credit risk at 30 June 2019 or 30 June 2018.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Note 25. Financial instruments *(continued)*

Consolidated 2019	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,921,970	-	-	-	1,921,970
Accrued expenses and other payables	-	2,171,442	-	-	-	2,171,442
Interest-bearing - variable						
Loans payable - BillFront	11.30%	160,780	2,289,617	-	-	2,450,397
Interest-bearing - fixed rate						
Convertible notes payable	-	-	404,420	-	-	404,420
Loans payable - NTH Mobile Limited	3.99%	-	443,095	-	-	443,095
Total non-derivatives		4,254,192	3,137,132	-	-	7,391,324
Derivatives						
Convertible note derivative liability	-	-	152,467	-	-	152,467
Total derivatives	-	-	152,467	-	-	152,467

Consolidated 2018	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,568,426	-	-	-	2,568,426
Accrued expenses and other payables	-	2,317,067	-	-	-	2,317,067
Interest-bearing - fixed rate						
Convertible notes payable	15.00%	3,287,542	-	-	-	3,287,542
Total non-derivatives		8,173,035	-	-	-	8,173,035

The cash flows in the maturity analysis above are not expected to occur significantly earlier that contractually disclosed above.

Note 26. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated 2019	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Liabilities				
Loans payable	-	-	2,587,429	2,587,429
Convertible notes payable	-	-	404,420	404,420
Convertible notes derivative liability	-	-	152,467	152,467
Total Liabilities	-	-	3,144,316	3,144,316

Consolidated 2018	Level 1 $	Level 2 $	Level 3 $	Level 4 $
Liabilities				
Convertible notes payable	-	-	3,287,542	3,287,542
Total Liabilities	-	-	3,287,542	3,287,542

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The discount rate used is 23%.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Loans payable NTH Mobile Limited $	Loans payable BillFront $	Convertible notes JGB $	Convertible notes Obsidian $	Total $
Balance at 1 July 2017	-	-	7,923,847	-	7,923,847
Disposals	-	-	(4,636,305)	-	(4,636,305)
Balance at 30 June 2018	-	-	3,287,542	-	3,287,542
Additions	418,397	2,169,032	-	404,420	2,991,849
Refinanced	-	-	(3,287,542)	-	(3,287,542)
Balance at 30 June 2019	418,397	2,169,032	-	404,420	2,991,849

Note 27. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

Consolidated	2019 $	2018 $
Short-term employee benefits	1,645,079	1,699,809
Post-employment benefits	19,410	52,169
Termination benefits	-	153,765
Share-based payments	-	259,590
	1,664,489	2,165,333

Detailed remuneration disclosures can be found in the remuneration report and equity interests in the directors' report.

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, and its network firms:

Consolidated	2019 $	2018 $
Audit services - RSM Australia Partners		
Audit or review of the financial statements	149,600	107,000
Audit services - RSM Netherlands		
Audit or review of the financial statements	-	82,720

Note 29. Commitments

Consolidated	2019 $	2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable		
Within one year	416,977	334,720
One to five years	332,166	494,751
	749,143	829,471

Operating lease commitments includes contracted amounts for various offices and plant and equipment under non-cancellable operating leases. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group had no finance lease commitments at 30 June 2019 or 30 June 2018.

Note 30. Related party transactions

Parent entity
Crowd Media Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

Consolidated	2019 $	2018 $
Payment for services		
Boardroom Pty Limited (Director S. Karzis is the General Manager of Corporate Counsel Pty Ltd, a subsidiary of Boardroom) provided professional registry and corporate secretarial services to Crowd Media Holdings Limited	115,571	82,630
Mish Guru Limited (Director D. Carosa is a 0.25% shareholder) provided marketing services to Crowd Media Holdings Limited subsidiaries	35,335	61,986
Wholesale Investor Pty Ltd (Director D. Carosa is a 7.77% shareholder) provided investor promotions services to Crowd Media Holdings Limited	4,750	9,750
Other expense transactions		
Compensation paid to Sophie Karzis, Company Secretary and legal counsel, via monies paid to her company Corporate Counsel Pty Ltd	60,949	94,597
Other (payment)/receipt transactions		
Dominet Digital Corporation Pty Ltd (a Carosa vendor) paid Crowd Media Holdings Ltd for office space rented, at cost, which was partially offset by payments made to Dominet for virtual PA services and mobile phone reimbursement, at cost.	20,490`	(5,931)
Global Internet Ventures Pty Ltd (Director D. Carosa is a 25% shareholder) paid Crowd Media Holdings Ltd for office space rented, at cost.	84,721	-
Kindy Now Pty Ltd (Director D. Carosa is a 7.78% shareholder) paid Crowd Media Holdings Ltd for office space rented, at cost.	30,807	-

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

Consolidated	2019 $	2018 $
Current receivables		
Global Internet Ventures Pty Ltd (Director D. Carosa is a 25% shareholder) paid Crowd Media Holdings Ltd for office space rented, at cost.	24,984	-
Kindy Now Pty Ltd (Director D. Carosa is a 7.78% shareholder) paid Crowd Media Holdings Ltd for office space rented, at cost.	4,550	-
Current payables		
Payable to Sophie Karzis, Company Secretary and legal counsel, for director fees via her company Corporate Counsel Pty Ltd	31,474	4,950
Payable to Boardroom Pty Limited for professional registry and corporate secretarial services to Crowd Media Holdings Limited	19,610	23,386
Mish Guru Limited (Director D. Carosa is a 0.25% shareholder) provided marketing services to Crowd Media Holdings Limited subsidiaries	5,759	-
Dominet Digital Corporation Pty Ltd (a Carosa vendor) paid Crowd Media Holdings Ltd for office space rented, at cost, which was partially offset by payments made to Dominet for virtual PA services and mobile phone reimbursement, at cost.	1,956	-

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

Parent	2019 $	2018 $
Profit/(loss) after income tax	10,066	(25,546,768)
Total comprehensive income	10,066	(25,546,768)

Statement of financial position

Parent	2019 $	2018 $
Total current assets	13,832,362	19,925,348
Total assets	29,814,047	25,358,156
Total current liabilities	21,026,036	20,946,901
Total liabilities	23,751,955	20,946,901
Equity		
Issue capital	87,956,338	87,403,650
Foreign currency reserve	1,063,333	-
Share-based payments reserve	5,069,128	5,044,378
Convertible note optionality reserve	-	212,851
Accumulated losses	(88,026,707)	(88,249,624)
Total equity	6,062,092	4,411,255

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities
The parent entity has no contingent liabilities at 30 June 2019 or 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	2018 %
Bongo Operations Pty Ltd	Australia	100%	100%
Bongo IP Pty Ltd	Australia	100%	100%
Global AQA Pty Ltd *	Australia	100%	100%
Global AQA IP Pty Ltd	Australia	100%	100%
Buddy Operations Pty Ltd	Australia	100%	100%
Buddy IP Pty Ltd	Australia	100%	100%
Crowd Mobile IP Pty Ltd	Australia	100%	100%
Crowd Media Holdings Pty Ltd (formerly Crowd Mobile Australia Pty Ltd)	Australia	100%	100%
Bongo Europe Pty Ltd	Australia	100%	100%
Digital Global Marketing Pty Ltd	Australia	100%	100%
Crowd Mobile EU Kft	Europe	100%	100%
Crowd Media (Global) UK Ltd (formerly Crowd Butler UK Ltd)	United Kingdom	100%	100%
Crowd Mobile Co-Operatif U.A. *	The Netherlands	100%	100%
Crowd Mobile QA Services B.V.	The Netherlands	100%	100%
Track Holdings B.V.	The Netherlands	100%	100%
Track Online B.V.	The Netherlands	100%	100%
Track Concepts B.V.	The Netherlands	100%	100%
Be Tracked Media B.V.	The Netherlands	100%	100%
Vivazz Mobile B.V.	The Netherlands	100%	100%
Track Mobile B.V.	The Netherlands	100%	100%
Immediato B.V.	The Netherlands	100%	100%
Mobilizo B.V.	The Netherlands	100%	100%
Yulara B.V.	The Netherlands	100%	100%
Crowd Mobile QA Operations B.V.	The Netherlands	100%	100%
Crowd Mobile IP B.V.	The Netherlands	100%	100%
Crowd Media B.V.	The Netherlands	100%	100%
Q Share Plan Pty Limited	Australia	100%	100%
Inala QA B.V.	The Netherlands	100%	100%

* Global AQA Pty Ltd owns 1% of Crowd Mobile Co-Operatif U.A

Note 33. Cash flow information

Reconciliation of loss after income tax to net cash from/(used in) operating activities

Consolidated	2019 $	2018 $
Loss after income tax benefit for the year	(4,795,984)	(26,041,272)
Adjustments for:		
Depreciation and amortisation	209, 128	3,648,101
Impairment of intangibles	-	25,380,044
Net loss on disposal of intangibles	-	25,245
Share-based payments	24,750	382,380
Non-cash interest on loans	-	(564,625)
Transfers - non-cash	-	(141,337)
Convertible note share issues - non-cash	123,732	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	222,178	3,386,858
Decrease in accrued income	2,675,167	-
Decrease/(increase) in income tax refund due	9,874	(343,949)
Decrease/(increase) in deferred tax assets	(1,099,951)	278,286
Decrease/(increase) in prepayments	178,009	(62,007)
Increase in other operating assets	(41,589)	(25,410)
Increase/(decrease) in trade and other payables	(686,980)	63,500
Increase in deferred revenue	71,244	-
Increase in derivative liabilities	152,467	-
Decrease in provision for income tax	-	(786,757)
Decrease in deferred tax liabilities	-	(2,547,137)
Decrease in employee benefits	(36,306)	(12,705)
Increase in other provisions	550,909	-
Net cash from/(used in) operating activities	(2,443,352)	2,639,215

Changes in liabilities arising from financing activities

Consolidated	Loans payable NTH Mobile Limited $	Loans payable BillFront $	Convertible notes JGB $	Convertible notes Obsidian $	Loan Other $	Total $
Balance at 1 July 2017	-	-	7,923,847	-	27,696	7,951,543
Net cash used in financing activities	-	-	(4,636,305)	-	(27,696)	(4,664,001)
Balance at 30 June 2018	-	-	3,287,542	-	-	3,287,542
Net cash from/(used in) financing activities	418,397	2,169,032	(3,287,542)	404,420	-	(295,693)
Balance at 30 June 2019	418,397	2,169,032	-	404,420	-	2,991,849

Note 34. Earnings per share

Consolidated	2019 $	2018 $
Loss after income tax attributable to the owners of Crowd Media Holdings Limited	(4,795,984)	(26,041,272)
	Number	
Weighted average number of ordinary shares used in calculating basic earnings per share	228,411,790	222,336,199
Weighted average number of ordinary shares used in calculating diluted earnings per share	228,411,790	222,336,199
	Cents	
Basic earnings per share	(2.10)	(11.71)
Diluted earnings per share	(2.10)	(11.71)

Options and performance rights have been excluded from the above calculation in the current and previous year as their inclusion would be anti-dilutive.

Note 35. Share-based payments

As part of the debt refinancing plan in the current year, options were issued to entities associated with JGB (Cayman) Newton Ltd ('JGB'). The options are unlisted with an exercise price of $0.05 cents and a 3-year term.

Set out below are summaries of options granted:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
02/04/2019	02/04/2022	$0.050	-	2,000,000	-	-	2,000,000
			-	2,000,000	-	-	2,000,000

Other options

Set out below are summaries of additional options issued to the vendors of Track Holdings B.V. ('Track') as partial consideration for the sale of Track to the Company, and to suppliers for capital raising and investor relations services rendered during the reporting period, outside of the ESOP:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/08/2016	01/11/2021	$0.300	5,000,000	-	-	(5,000,000)	-
30/06/2017	09/06/2020	$0.250	1,000,000	-	-	(1,000,000)	-
			6,000,000	-	-	(6,000,000)	-

All options lapsed during the year.

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/08/2016	01/11/2021	$0.300	5,000,000	-	-	-	5,000,000
30/06/2017	09/06/2020	$0.250	1,000,000	-	-	-	1,000,000
			6,000,000	-	-	-	6,000,000

Performance rights

On 17 December 2014, shareholders approved a Performance Rights Plan ('PR Plan'). Under the PR Plan, selected employees and Directors may be granted performance rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives.

Note 35. Share-based payments *(continued)*

Set out below are summaries of performance rights granted under the plan:

2019

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/01/2015	30/11/2018	2,500,000	-	-	(2,500,000)	-
11/05/2015	30/11/2018	1,500,000	-	-	(1,500,000)	-
10/07/2015	30/11/2018	325,000	-	-	(325,000)	-
24/07/2015	30/11/2018	500,000	-	-	(500,000)	-
02/12/2015	30/11/2018	16,667	-	-	(16,667)	-
13/04/2016	30/11/2018	479,161	-	-	(479,161)	-
15/08/2016	30/11/2018	500,000	-	-	(500,000)	-
15/09/2017	30/11/2018	2,912,844	-	-	(2,912,844)	-
		8,733,672	-	-	(8,733,672)	-

2018

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/01/2015	30/11/2018	2,500,000	-	-	-	2,500,000
11/05/2015	30/11/2018	1,500,000	-	-	-	1,500,000
10/07/2015	30/11/2018	325,000	-	-	-	325,000
24/07/2015	30/11/2018	500,000	-	-	-	500,000
02/12/2015	30/11/2018	16,667	-	-	-	16,667
13/04/2016	30/11/2018	479,161	-	-	-	479,161
05/08/2016	30/11/2018	500,000	-	-	-	500,000
14/07/2017	30/11/2018	-	6,000,000	-	(6,000,000)	-
15/09/2017	30/11/2018	-	3,250,000	(337,156)	-	2,912,844
		5,820,828	9,250,000	(337,156)	(6,000,000)	8,733,672

Valuation model inputs

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
02/04/2019	02/04/2022	$0.012	$0.050	81.30%	-	1.00%	$0.0015

Note 36. Events after the reporting period

On 31 July 2019, the Company agreed to issue Performance Rights ('PRs') to employees. The PRs are based on share price targets and the maximum number of shares that can be issued on conversion is 5,500,000 at two years and 5,500,000 at three years.

On 31 July 2019, the Company agreed not to proceed with the PRs previously agreed to be issued on 25 July 2018. The three year PRs were based on share price and earnings per share targets and the maximum number of shares that could be issued on conversion was 6,000,000.

On 29 August 2019, the Company executed a binding Heads of Agreement ('HOA') with an alliance of strategic investors, collectively the Invincible Investment Consortium ('IIC'), to fund existing Company requirements, as well as develop new business synergies and joint ventures between Crowd Media and businesses that the IIC can introduce and facilitate. These would leverage Crowd Media's well-established technology and digital marketing platforms. Under the agreement, Crowd Media will issue IIC (and/or their nominees) with convertible notes with a face value of up to $3,700,000 on the following key terms:

- Tranche 1: $1,700,000 20 month facility with a fixed conversion price of 1.8 cents, of which $1,600,000 has been received as at 19 September 2019: and
- Tranche 2: $2,000,000 24-month facility, to be drawn down in 90 days with a fixed conversion price of 2.0 cents, subject to the parties agreeing to a business plan which focuses on strategic collaboration objectives.

As part of the investment and collaboration under the agreement, IIC principals Steven Schapera and Robert Quandt will be joining the Crowd Media Board of Directors in September 2019. Crowd Media's current Chairman, Theo Hnarakis, will be retiring from the Board to pursue other opportunities, and Steven Schapera will replace him as new Chairman.

Experience and Expertise of Steven Schapera- Steven is London-based; he co-founded the successful BECCA Cosmetic brand and, as global CEO, commercialised it into a range of cosmetic products that are distributed throughout Europe, Asia and North America. Steven guided BECCA, from its infancy through to being a global player in the international luxury cosmetic space, before exiting the business to Estee Lauder for AUD$300 million. Steven holds a number of Board positions, including non-exec director of ASX listed OBJ Limited, and has investments in the health, beauty, wellness and tech spaces.

Experience and Expertise of Robert Quandt- Robert worked for 10 years as a consultant for Booz & Company serving large corporate clients on strategy, operation and organisation. Subsequently, Robert has worked for Linde AG as the strategy lead for their EUR 6bn Americas business. Until recently, he has served as Board Director and COO/CFO of Invincible Brands. Invincible Brands is a Berlin-based Influencer led brand builder. Working alongside the co-founders, Robert has helped to grow this highly profitable business from EUR 7m revenue in 2016 to around €100m in 2019.

As part of the incoming investment by IIC, current CEO Domenic Carosa has agreed to reduce his remuneration package, beginning 1 September 2019 to EUR 240,000 per annum with an agreed 3-month notice period.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration *30 June 2019*

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Theo Hnarakis
Chairman

19 September 2019
Melbourne

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Crowd Media Holdings Limited

Opinion

We have audited the financial report of Crowd Media Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) 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 Group in accordance with the auditor 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue and Accrued Revenue
Refer to Note 5 in the financial statements</td></tr>
<tr><td>The Group's revenue relates to the sale of information and entertainment content services for mobile phones and tablets, and marketing agency services.

Total revenue for the year ended 30 June 2019 was $23.9m and accrued revenue of $2.7m, which is material to the financial statements. We have considered the recognition of revenue due to its size and magnitude in the financial statements.

The nature and timing of recognition of accrued revenue at year-end involves management judgement and is complex.

We have considered the recognition of revenue and the associated accrued revenue as a key audit matter because of the reasons above.</td><td>Our key audit procedures in relation to the recognition of revenue included:

• Obtaining a detailed understanding of the processes and internal controls associated with the capture and recording of revenue;
• Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 Revenue from Contracts with Customers;
• On a sample basis, vouching to supporting contracts and third-party report of sales data to revenue recognised;
• Comparing accrued revenue to subsequent third-party reports and funds receipted; and
• Checking the accuracy of valuation of foreign currency transactions recorded.</td></tr>
<tr><td colspan="2">Going Concern
Refer to Note 2 in the financial statements</td></tr>
<tr><td>We identified going concern as a Key Audit Matter due to Group's has negative operating cash flows of $2.4m and loss before income tax of $6.4m for the year ending 30 June 2019.

Management have performed an assessment of its ability to continue as a going concern. This included the preparation of the cashflow forecast for twelve months which required significant judgement and assumptions.

Subsequent to year-end, the Group obtained additional funding in the form of a convertible note facility to cover operating costs over the next 12 months. This amount was incorporated into the forecast prepared.</td><td>In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included:

• Reviewing the current financial position of the Group and assessing a number of key ratios;
• Sighting bank statements from August and September 2019 showing the receipt of $1.6 million of the $1.7 million from Tranche 1 of the convertible note facility;
• Reviewing management's forecasts for the twelve months from the date of signing of the financial statements, including assessing and challenging the assumptions used.</td></tr>
</table>

Key Audit Matters (Continued.)

AASB 9 - Expected Credit Losses Refer to Note 9 in the financial statements	
The Group adopted AASB 9 *Financial Instruments* on 1 July 2018. This standard supersedes the requirements of AASB 139 *Financial Instruments - Recognition and Measurement*. Management has determined that there will not be a material impact of the new standard on the Group's financial statements relates to the calculation of the allowance for impairment of accounts receivables using an expected credit loss ("ECL") model. We considered this a key audit matter due to the judgements and estimates involved in the application of the expected credit loss model. As at 30 June 2019, the carrying value of accounts receivables amounted to $3.9 million (2018: $2.9 million), and the allowance for impairment of accounts receivables amounted to $1.8m million (2018: $0.6 million). The Group's management has applied a simplified ECL model to determine the allowance for impairment of trade receivables. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Group's history of a collection of trade receivables.	Our audit procedures included the following: • Assessing the valuation methodology used; • Verifying whether the ECL model developed by management is consistent with the requirements of AASB 9; • Testing the accuracy and completeness of underlying data used in the model and the arithmetical accuracy of the computation of ECL; and • Testing key assumptions and judgments, such as those used to calculate the likelihood of default and loss on default by comparing to historical data, as well as the appropriateness of forward-looking factors (macroeconomic factors) used to determine ECL's.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 ability of the Group 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 Group 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: www.auasb.gov.au/auditors_responsibilities/ar1.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 the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Crowd Media Holdings Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

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.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 19 September 2019
Melbourne, VIC

Shareholder information 30 June 2019

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 9 August 2019 ('Reporting Date').

Corporate Governance Statement

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations ('Corporate Governance Statement').

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on Crowd Media's website, https://investor.crowdmobile.com/corporate_governance.html#investor (Website), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by Crowd Mobile and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on Crowd Media Holdings Limited's Website.

Substantial shareholders

	Number held No.	Percentage of total shares on issue %
Domenic Carosa	24,742,968	9.93%
DSAH Holdings Pty Ltd, Daniel Wallis	18,484,045	7.42%

Distribution of equity securities

As at the Reporting Date, the number of holders in each class of equity securities:

	Number of holders No.
Fully paid ordinary shares	1,552
Options exercisable at $0.05 each on or before 2 April 2022	3
Convertible Notes	1

Distribution of ordinary shareholders

	Holders No.	Total units No.	Total Shares %
Holding ranges			
1 to 1,000	73	4,102	0.002%
1,001 to 5,000	71	248,546	0.100%
5,001 to 10,000	236	2,122,378	0.851%
10,001 to 100,000	843	34,646,052	13.900%
100,001 and over	329	212,226,332	85.147%
	1,552	249,247,410	100.000%

Distribution of option holders

Holding ranges	Holders of $0.05 options expiring 2 Apr 2022
1 to 1,000	-
1,001 to 5,000	-
5,001 to 10,000	-
10,001 to 100,000	-
100,001 and over	3
	3

Distribution of convertible notes

Holding ranges	Holders of convertible notes No.
1 to 1,000	-
1,001 to 5,000	1
5,001 to 10,000	-
10,001 to 100,000	-
100,001 and over	-
	1

Less than marketable parcels of ordinary shares ('UMP Shares')

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

Total Shares No.	UMP Shares No.	UMP Holders No.	Issued shares held by UMP holders %
249,247,410	9,252,394	756	3.71%

Quoted securities

Twenty largest quoted equity security holders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

	Ordinary shares No.	Total shares issued %
DSAH Holdings Pty Ltd	18,484,045	7.416%
Dominet digital Corporation Pty Ltd (The Carosa Family A/C)	11,792,523	4.731%
Dominet digital investments Pty Ltd (Dominet digital investmt A/C)	9,923,378	3.981%
Mr Rene Rath	8,792,570	3.528%
Mr Hendrikus Antonius Johannes Kusters	8,792,570	3.528%
Mutual Trust Pty Ltd	5,807,598	2.330%
Australco super investments Pty Ltd (Hnarakis Family S/F A/C)	4,177,650	1.676%
Perpetual Capital Investments Pty Ltd	4,000,000	1.605%
Citicorp Nominees Pty Limited	3,271,145	1.312%
AddingUp Pty Limited (AddingUp S/F A/C)	3,000,000	1.204%
MFA Capital Pty Ltd (T&J Adams super fund A/C)	2,700,000	1.083%
Michael Matthew Farrelly	2,700,000	1.083%
Obsidian Global Partners LLC	2,636,313	1.058%
Ms Lewei Jiang & Ms Xi Zhang	2,185,000	0.877%
Yeend Superannuation Pty Ltd (Yeend super fund A/C)	2,106,274	0.845%
J P Morgan nominees Australia Pty Limited	2,017,540	0.809%
Mr Rodney Barry Ruttiman & Mrs Jane Lorrie Ruttiman	2,010,948	0.807%
Mrs Elizabeth Adell Holmes	2,000,000	0.802%
Stolow Pty Ltd (The Leung investment A/C)	2,000,000	0.802%
Mr Risto Alberg	1,950,813	0.783%
	100,348,367	40.260%
Total remaining holders balance	148,899,043	59.740%

Unquoted equity securities

The number of each class of unquoted equity securities on issue, and the number of their holders, are as follows:

Class of equity securities	Number of unquoted equity securities	Number Of Holders
Options exercisable at $0.05 each expiring on 2 April 2022	2,000,000	3
Convertible notes	4,109	1

Except as listed below, no persons hold 20% or more of the equity securities in any unquoted class that were not issued or acquired under an employee incentive scheme.

- 746,162 options exercisable at $0.05 each, expiring 2 April 2022 are held by JGB Capital Offshore Ltd.
- 1,136,541 options exercisable at $0.05 each, expiring 2 April 2022 are held by JGB Partners LP.
- 4,109 convertible notes are held by Obsidian Global Partners, LLC.

Voting rights

The only class of equity securities on issue in the Company which carry voting rights is ordinary shares.

At a general meeting of the Company, every holder of ordinary shares is entitled to vote in person or by proxy or attorney; and on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share he holds.

Voluntary escrow

There are no securities on issue in the Company that are subject to voluntary escrow.

Stock Exchange Listings

The Company's ordinary shares are quoted on the Australian Securities Exchange ('ASX') (ASX issuer code: CM8) and on the Frankfurt Stock Exchange (European stock code: CM3).

Buybacks

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

The Company is not currently conducting an on-market buy-back.

Item 7 issues of securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

Company secretary

The Company's secretary is Laura Newell.

Registered office

The address and telephone number of the Company's registered office are:

Level 4
44 Gwynne Street
CREMORNE VIC 3121

Telephone: +61 3 9020 1468

Share registry

The address and telephone number of the Company's share registry, Boardroom Pty Limited, are:

Street Address:

Level 12
225 George Street
SYDNEY NSW 2000

Telephone: +61 2 9290 9600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www.crowdmedia.com