REWARDLE HOLDINGS LIMITED (ACN 168 751 746) SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This Supplementary Prospectus is dated 9 September 2014 and is supplementary to the replacement prospectus dated 20 August 2014 (**Prospectus**) issued by Rewardle Holdings Limited (ACN 168 751 746) (**Company**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 9 September 2014. The ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning as in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the internet at www.rewardleholdings.com/prospectus. This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged. The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor.

Accordingly, no action needs to be taken if you have already subscribed for Shares under the Prospectus. A copy of this Supplementary Prospectus will be available on the Company's website and the Company will communicate with all Applicants who have subscribed for Shares under the Prospectus to the date of this Supplementary Prospectus advising them of the Supplementary Prospectus.

2. AMENDMENT TO THE PROSPECTUS

2.1 Purpose of this document

The purpose of this Supplementary Prospectus is to:

- (a) update certain disclosures in the Investigating Accountant's Report in Section 8 of the Prospectus;
- (b) provide an update of the number of Members and Merchants in the Company's Member and Merchant Network, together with other relevant metrics.

2.2 Updated Investigating Accountant's Report

Since the date of the Prospectus, the Company has incurred ordinary course of business working capital outgoings such that the statement of financial position in the Investigating Accountant's Report has been updated.

Accordingly, Section 8 of the Prospectus is amended by replacing the Investigating Accountant's Report with the updated Investigating Accountant's Report included as Annexure A to this Supplementary Prospectus.

The updated Investigating Accountant's Report contains a statement that events that occurred subsequent to the period of 31 March 2014 include the expenditure in the ordinary course of business of a total of \$984,356 in the five month period from 1 April 2014 to 29 August 2014. A number of consequential changes have been made to various numbers in Appendix 2 and Appendix 4 to account for this expenditure.

Since 1 April 2014, and as a result of the continued expenditure referred to above, the Company has continued to grow the Merchant and Member Network. The average working capital spent over the five months since 1 April 2014 to end of August 2014 is \$196,871 per month and the Company expects to continue this level of spending per month through September and October 2014. As a result, the Company expects further expenditure in the ordinary course of business of approximately \$200,000 in each of September and October 2014.

BDO Corporate Finance (WA) Pty Ltd (**BDO**) has given its written consent to being named as the Company's Investigating Accountant in this Supplementary Prospectus and to the inclusion of the updated Investigating Accountant's Report in Annexure A and all statements referring to or based on the updated Investigating Accountant's Report in the Supplementary Prospectus in the form and context in which they are included. BDO has not caused or authorised the issue of this Supplementary Prospectus and has not withdrawn its consent prior to lodgement of this Supplementary Prospectus with the ASIC.

2.3 Growth of Merchant and Member Network

Since the date of the Prospectus, the Company's monthly reconciliation of the Merchant and Member Network as at 31 July 2014 has been completed (given the lag associated with uploading data from off-line tablets, this is the most current month-end information available as at the date of this Supplementary Prospectus).

As at 31 July 2014, the Company's Merchant and Member Network and associated activity has grown to:

Merchants: 1797
 Members: 339,686
 Check-ins: 4,148,661
 Prepaid Credit added: \$423,639.91
 Prepaid Credit used: \$316,887.17
 Prepaid Credit held: \$106,752.74

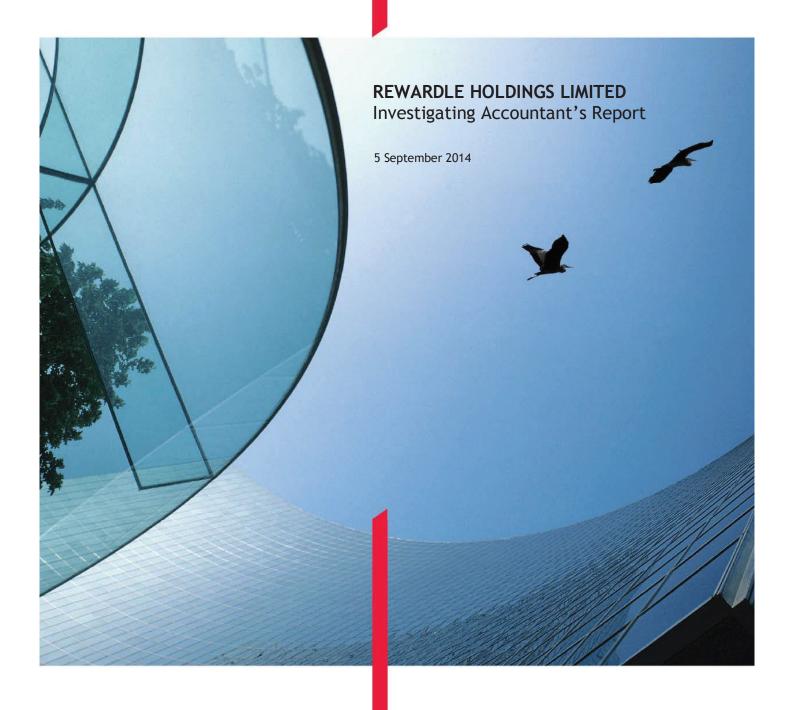
Accordingly, the figures referring to the Merchant and Member Network, Check-ins and Prepaid Credit throughout the Prospectus are updated to include the increases set out above.

3. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Ruwan Weerasooriya Managing Director For and on behalf of Rewardle Holdings Limited







5 September 2014

The Directors
Rewardle Holdings Limited
Level 4, 100 Flinders Street
Melbourne VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by Rewardle Holdings Limited ('Rewardle Holdings' or 'the Company') to prepare this Investigating Accountant's Report ('Report') on the historical financial information and pro forma historical financial information of Rewardle Holdings for inclusion in a prospectus ('Prospectus') to be issued by the Company in respect of the proposed initial public offering and listing on the Australian Securities Exchange ('ASX'). Broadly, the Prospectus will offer 20 million New Shares at an issue price of \$0.20 each to raise \$4 million before costs ('the Public Offer').

The maximum amount raised under the Prospectus is \$4 million before costs. The Public Offer is subject to a minimum subscription level of 15 million New Shares to raise \$3 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

2. Scope

Historical financial information

You have requested BDO to review the following historical financial information of Rewardle Holdings and Rewardle Pty Ltd included in the Prospectus:

- The Statement of Profit or Loss and Other Comprehensive Income of Rewardle Holdings for the period ended 31 March 2014;
- The Statement of Financial Position of Rewardle Holdings and Rewardle Pty Ltd as at 31 March 2014; and
- The Statement of Changes in Equity of Rewardle Holdings and Rewardle Pty Ltd for the period ended 31 March 2014.

(collectively the 'historical financial information').

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Rewardle Holding's adopted accounting policies. The historical financial information has been extracted from the financial statements of Rewardle Holdings for the period ended 31 March 2014, which was reviewed by BDO (Vic) Pty Ltd in accordance with the Australian Auditing Standards. BDO (Vic) Pty Ltd issued an unmodified opinion on the financial information.

The historical financial information is presented in the Appendices to this report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act* 2001.

Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 31 March 2014 for Rewardle Holdings referred to as the 'pro forma historical financial information'

The pro forma historical financial information has been derived from the historical financial information of Rewardle Holdings, after adjusting for the effects of any subsequent events described in section 7 and the pro forma adjustments described in section 8. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 and section 8, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

3. Background

Rewardle Holdings was incorporated on 25 March 2014. On 31 March 2014, Rewardle Holdings acquired Rewardle Pty Ltd with consideration being satisfied by the issue of 74.5 million Rewardle Holdings shares to the vendor and Rewardle Holdings agreeing to repay a loan totalling \$2,515,687. An amount of \$2,500,000 of the total loan amount will be repaid through conversion into a convertible note in Reward Holdings with the remaining balance to be repaid in cash ('the Acquisition').

Rewardle Holdings is a company that utilises mobile computing, cloud based software and big data analysis to provide small-to-medium sized merchants in Australia with digital customer engagement tools and business intelligence. The Rewardle membership, points and rewards platform is the basis for the company's growing suite of digital customer engagement tools.

Rewardle replaces the traditional paper stamp or punch card systems that are commonly used by consumer-facing small-to-medium businesses with a digital membership, points and rewards platform. Merchants place a customer facing Rewardle tablet on their counter, and customers check-in on the tablet using their Rewardle plastic card or the Rewardle smartphone app to collect points and redeem rewards.

Typical merchants that adopt the Rewardle platform include cafes, restaurants, hair and beauty salons, pubs/bars, gyms, grocery stores, day spas, pharmacies, juice bars, burger shops and cinemas.

4. Director's responsibility

The directors of Rewardle Holdings are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

6. Conclusion

Historical financial information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the period ended 31 March 2014 or the financial position as at 31 March 2014 in accordance with the stated basis of preparation as described in section 2.

Pro-forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 March 2014:

- The issue of 2,000,000 ordinary shares in Rewardle Holdings at an issue price of \$0.15 per share to raise \$300,000;
- The acquisition of Rewardle Pty Ltd with consideration being in the form of 74.5 million Rewardle Holdings shares issued to the vendor. As part of the consideration for the Acquisition, the Company also agreed to repay a loan totalling \$2,515,687. An amount of \$2,500,000 will be repaid through conversion into a convertible note in Reward Holdings with the remaining balance to be repaid in cash;

- The issue of 4,000,000 Service Options with an exercise price of \$0.20 and an expiry date of 30 June 2017 ('Service Options'). The Service Options were issued to directors and senior staff members of the Company in lieu of wages and have been valued at \$271,920;
- The issue of 20,000,000 Performance Options with an exercise price of \$0.20 and an expiry date which is 40 months following the Company's listing on the ASX ('Performance Options'). The Performance Options were issued to the Managing Director and other staff members as incentives for performance and have been valued at \$1,410,000;
- The issue of a convertible note with a face value of \$3,700,000, a conversion price of \$0.20 per share and an interest rate of 12% per annum ('Convertible Note'). The Convertible Note also has 13,875,000 attaching options with an exercise price of \$0.20 and an expiry date of 30 June 2017 ('Attaching Options'). The Attaching Options have been issued in lieu of an establishment fee and have been valued at \$943,611;
- The Company was deemed to have repaid the Vendor Loan of \$2,515,687, through conversion of \$2,500,000 into a convertible note and the remaining balance being repaid in cash; and
- Between the period 1 April 2014 and 29 August 2014 the Company has incurred net costs totalling \$984,356. These costs are net of any revenues received and relate to general operating costs incurred in the ordinary course of business. The majority of these costs incurred relate to salary and wages, administration expenses and expenses incurred in growing the merchant and member network over the period.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

8. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial information as at 31 March 2014, the subsequent events set out in section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 15,000,000 Shares at an offer price of \$0.20 each to raise \$3,000,000 before costs based on the minimum subscription, or the issue of 20,000,000 Shares at an offer price of \$0.20 each to raise \$4,000,000 before costs based on the full subscription;
- Costs of the Public Offer are estimated to be \$378,527 based on the minimum subscription or \$439,472 based on the full subscription, which are to be offset against the contributed equity;
- The issue of 1,500,000 Broker Options with an exercise price of \$0.20 and an expiry date of 30 June 2017 ('Broker Options'). The Broker Options are to be issued in consideration for services performed in relation to the Offer and have been valued at \$101,970. As the Broker Options are considered costs of the Offer they have been offset against contributed equity; and
- The issue of 18,500,000 shares upon conversion of the \$3,700,000 Convertible Note at a conversion price of \$0.20 per share. The Company is also expecting to pay approximately \$150,838 in accrued interest on the Convertible Note up until the end of August 2014.

9. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO

BDO Corporate Finance (WA) Pty Ltd

and a

Peter Toll

Director

REWARDLE HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the
	period ended
	31-Mar-14
	\$
Interest income	-
Expenses	
Legal fees	(4,922)
Loss before income tax expense	(4,922)
Income tax benefit/(expense)	-
Net loss for the period	(4,922)

This statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

REWARDLE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Rewardle Holdings	Rewardle Pty Ltd		Pro forma adjustments		Pro forma	after Offer
		Reviewed as at	Reviewed as at	Subsequent	\$3 million	\$4 million	\$3 million	\$4 million
		31-Mar-14	31-Mar-14	events	raising	raising	raising	raising
	Notes	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS								
Cash and cash equivalents	2	1,000	7,552	499,957	2,470,635	3,409,690	2,979,144	3,918,199
Trade and other receivables		-	58,505	-	-	-	58,505	58,505
TOTAL CURRENT ASSETS		1,000	66,057	499,957	2,470,635	3,409,690	3,037,649	3,976,704
NON CURRENT ASSETS								
Trade and other receivables		492	3,774	-	-	-	4,266	4,266
TOTAL NON CURRENT ASSETS		492	3,774	-	-	-	4,266	4,266
TOTAL ASSETS		1,492	69,831	499,957	2,470,635	3,409,690	3,041,915	3,980,970
CURRENT LIABILITIES								
Trade and other payables		5,414	91,783	-	-	-	97,197	97,197
Loans and borrowings	3	-	-	3,700,000	(3,700,000)	(3,700,000)	-	-
TOTAL CURRENT LIABILITES		5,414	91,783	3,700,000	(3,700,000)	(3,700,000)	97,197	97,197
NON CURRENT LIABILITIES								
Loans and borrowings	4	-	2,505,446	(2,505,446)	-	-	-	-
TOTAL NON CURRENT LIABILITIES		-	2,505,446	(2,505,446)	-	-	-	-
TOTAL LIABILITIES		5,414	2,597,229	1,194,554	(3,700,000)	(3,700,000)	97,197	97,197
NET ASSETS/(LIABILITIES)		(3,922)	(2,527,398)	(694,597)	6,170,635	7,109,690	2,944,718	3,883,773
EQUITY								
Contributed equity	5	1,000	100	299,000	6,219,503	7,158,558	6,519,603	7,458,658
Reserves	6	-	-	2,621,609	101,970	101,970	2,723,579	2,723,579
Accumulated losses	7	(4,922)	(2,527,498)	(3,615,206)	(150,838)	(150,838)	(6,298,464)	(6,298,464)
TOTAL EQUITY		(3,922)	(2,527,398)	(694,597)	6,170,635	7,109,690	2,944,718	3,883,773

The pro-forma consolidated statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

REWARDLE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Rewardle Holdings	Rewardle Pty Ltd		Pro forma a	adjustments	Pro forma	after Offer
		Reviewed as at	Reviewed as at	Subsequent	\$3 million	\$4 million	\$3 million	\$4 million
		31-Mar-14	31-Mar-14	events	raising	raising	raising	raising
	Notes	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2013		-	(1,002,433)		-		(1,002,433)	(1,002,433)
Comprehensive income for the period								
Profit/(Loss) for the period	7	(4,922)	(1,525,065)	(3,615,206)	(150,838)	(150,838)	(5,296,031)	(5,296,031)
Total comprehensive income for the period		(4,922)	(2,527,498)	(3,615,206)	(150,838)	(150,838)	(6,298,464)	(6,298,464)
Transactions with equity holders in their capacity as equity holders								
Contributed equity, net of transaction costs	5	1,000	100	299,000	6,219,503	7,158,558	6,519,603	7,458,658
Reserves	6	-	-	2,621,609	101,970	101,970	2,723,579	2,723,579
Total transactions with equity holders		1,000	100	2,920,609	6,321,473	7,260,528	9,243,182	10,182,237
Balance		(3,922)	(2,527,398)	(694,597)	6,170,635	7,109,690	2,944,718	3,883,773

The above consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

REWARDLE HOLDINGS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

Going concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting basis and conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Rewardle Holdings at the end of the reporting period. A controlled entity is any entity over which Rewardle Holdings has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

b) Income tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

c) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

d) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

e) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

g) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

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

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

j) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

k) Contributed equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

l) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

m) Employee benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ('vesting date'). The amount recognised as an expense is adjusted to reflect the actual number that vest.

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

n) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

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

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

Rev	Reviewed		fter Offer
31-	Mar-14	\$3 million	\$4 million
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	1,000	2,979,144	3,918,199
Reviewed balance of Rewardle Holdings at 31 March 2014		1,000	1,000
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		7,552	7,552
Subsequent events:			
Issue of 2,000,000 shares in Rewardle Holdings		300,000	300,000
Issue of the Convertible Note		3,700,000	3,700,000
Deemed repayment of the Vendor Loan through conversion into convertible note		(2,500,000)	(2,500,000)
Repayment of the Vendor Loan remaining balance in cash		(15,687)	(15,687)
Net general operating expenses and revenues incurred during the period	_	(984,356)	(984,356)
		499,957	499,957
Pro-forma adjustments:			
Proceeds from shares issued under the Public Offer		3,000,000	4,000,000
Capital raising costs		(378,527)	(439,472)
Repayment of interest component of the Convertible Note		(150,838)	(150,838)
		2,470,635	3,409,690
Pro-forma Balance	-	2,979,144	3,918,199

	Reviewed	Pro forma
	31-Mar-14	after Offer
NOTE 3. CURRENT LOANS AND BORROWINGS	\$	\$
Current loans and borrowings	-	-
Reviewed balance of Rewardle Holdings at 31 March 2014		-
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		-
Subsequent events:		
Issue of the Convertible Note		3,700,000
	_	3,700,000
Pro-forma adjustments:		
Conversion of the Convertible Note into shares at conversion price of \$0.20		(3,700,000)
	_	(3,700,000)
Pro-forma Balance	_	-

	Reviewed	Pro forma
	31-Mar-14	after Offer
NOTE 4. NON CURRENT LOANS AND BORROWINGS	\$	\$
Non current loans and borrowings	-	-
Reviewed balance of Rewardle Holdings at 31 March 2014		-
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		2,505,446
Subsequent events:		
Additional borrowings relating to Vendor Loan		10,241
Deemed repayment of the Vendor Loan through conversion into convertible no	ote	(2,500,000)
Repayment of the Vendor Loan remaining balance in cash		(15,687)
	_	(2,505,446)
Pro-forma Balance	_	-

		Reviewed	Pro forma	after Offer
		31-Mar-14	\$3 million	\$4 million
NOTE 5. CONTRIBUTED EQUITY		\$	\$	\$
Contributed equity		1,000	6,519,603	7,458,658
	Number of	Number of		
	shares (min)	shares (full)	\$	\$
Fully paid ordinary share capital of Rewardle Holdings	1,000,000	1,000,000	1,000	1,000
Fully paid ordinary share capital of Rewardle Pty Ltd	-	-	100	100
Subsequent events:				
Issue of 2,000,000 shares in Rewardle Holdings	2,000,000	2,000,000	300,000	300,000
Issue of shares to Rewardle Pty Ltd as consideration for the Acquisition*	74,500,000	74,500,000	11,175,000	11,175,000
Consolidation adjustment on acquisition of Rewardle Pty Ltd (See Note 8)	-	-	(11,176,000)	(11,176,000)
	76,500,000	76,500,000	299,000	299,000
Pro-forma adjustments:				
Conversion of the Convertible Note into shares at conversion price of \$0.20	18,500,000	18,500,000	3,700,000	3,700,000
Proceeds from shares issued under the Public Offer	15,000,000	20,000,000	3,000,000	4,000,000
Capital raising costs	-	-	(378,527)	(439,472)
Issue of Broker Options	-	-	(101,970)	(101,970)
	33,500,000	38,500,000	6,219,503	7,158,558
Pro-forma Balance	111,000,000	116,000,000	6,519,603	7,458,658

As consideration for the Acquisition, the Company issued 74.5 million shares to the vendor of Rewardle Pty Ltd. These shares have been valued at \$0.15 each based on the most recent capital raising undertaken by the Company prior to the Acquisition.

Reviewed	Pro forma
31-Mar-14	after Offer
\$	\$
-	2,723,579
	-
	-
	(3,922)
	271,920
	1,410,000
	943,611
_	2,621,609
	101,970
_	101,970
	2,723,579
	31-Mar-14

Using the Black-Scholes option valuation methodology the fair value of the Service Options and Attaching Options has been calculated. The following inputs were used for these options issued:

Service Options & Attaching Options	
Underlying share price	\$0.15
Exercise price	\$0.20
Issue date	30-Apr-14
Expiration date	30-Jun-17
Life of the Options	3.17
Volatility	75%
Risk-free rate	2.95%

Using the Black-Scholes option valuation methodology and probability assumptions provided by management the fair value of the Performance Options has been calculated. The following inputs were used for these options issued:

Performance Options	
Underlying share price	\$0.15
Exercise price	\$0.20
Issue date	01-Jul-14
Expiration date	40 months from ASX listing
Life of the Options	40 months
Volatility	75%
Risk-free rate	2.95%

	Reviewed	Pro forma
	31-Mar-14	after Offer
NOTE 7. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(4,922)	(6,298,464)
Reviewed balance of Rewardle Holdings at 31 March 2014		(4,922)
Reviewed balance of Rewardle Pty Ltd at 31 March 2014		(2,527,498)
Subsequent events:		
Additional amount payable in regard to Vendor Loan		(10,241)
Net general operating expenses and revenues incurred during the period		(984,356)
Consolidation adjustment on acquisition of Rewardle Pty Ltd (See Note 8)		4,922
Issue of Service Options		(271,920)
Issue of Performance Options		(1,410,000)
Issue of Attaching Options		(943,611)
	_	(3,615,206)
Pro-forma adjustments:		
Repayment of interest component of Convertible Note		(150,838)
	_	(150,838)
Pro-forma Balance		(6,298,464)

NOTE 8: ACQUISITION ACCOUNTING

A summary of the acquisition details with respect to the Acquisition as included in our report is set out below. These details have been determined for the purpose of the pro forma adjustments as at 31 March 2014.

Under the Acquisition, Rewardle Holdings acquires all the shares in Rewardle Pty Ltd by issuing 74.5 million shares to the vendor and agreeing to repay a loan of \$2,515,687 on behalf of the vendor. The consideration payable gives the vendor a controlling interest in Rewardle Holdings following the Acquisition, equating to a controlling interest in the combined entity. Rewardle Pty Ltd has thus been deemed the acquirer for accounting purposes as it will own 98.68% (74,500,000 / 75,500,000) of the consolidated entity following the Acquisition. The acquisition of Rewardle Pty Ltd by Rewardle Holdings is not deemed to be a business combination, as Rewardle Holdings is not considered to be a business under AASB 3 Business Combinations.

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

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 11: HISTORICAL FINANCIAL INFORMATION

Rewardle Holdings does not consider it appropriate to disclose three years historical financial information because the Company has only been in operation since 25 March 2014. Since that date, the Company has had minimal operations. We have therefore included the most recent statement of profit or loss and other comprehensive income and statement of financial position, reviewed as at 31 March 2014, as detailed at Appendix 1 and Appendix 2 respectively and consider that these provide sufficient detail of historical financial information for the Company.