

Quantify Technology Ltd

ABN 23 160 392 898

Annual Report - for the year ended 30 June 2016

Quantify Technology Ltd
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors

The following persons were directors of the company during the whole year and up to the date of this report, unless otherwise stated:

Mark Lapins
Aidan Montague – Director (appointed 25 May 2016)
Alex Paor - Director (appointed 25 May 2016)

Principal activities

During the financial year the principal continuing activities of the company consisted of:

1. Developing and implementing plan and strategy for positioning of Quantify in the market,
2. Establishing a leadership and management team,
3. Product and patent development including tooling up for prototype production, and
4. Commercial contract negotiations.

Dividends

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

Review of operations

The loss for the company after providing for income tax amounted to \$3,107,122 for the year ended 30 June 2016 (year ended 30 June 2015: loss of \$62,541).

Significant changes in the state of affairs

The company has been in a rapid phase of growth, but other than this there were no significant changes in the state of affairs of the company in this financial year.

Matters subsequent to the end of the period

Since 1 July 2016 the company issued the following shares:

- 2,149,999 shares at \$0.06 per share to raise a total of \$129,000 for its working capital,
- 2,596,669 shares in lieu of fees to the value of \$148,800, and
- 2,000,000 shares and 500,000 options exercisable at 7.5 cents on or before 31 May 2017 to employees of the Company.

The Company has announced on the ASX that it intends to list by way of a reverse takeover. Further details can be found at <http://www.whlenergy.com/irm/PDF/1973/WHLEnergytoacquireIoTcompanyQuantifyTechnologyLtd>

Other than the above, the directors are not aware of any significant events since the end of the reporting date.

Likely developments and expected results of operations

The company is currently working through the process of listing on the ASX by way of a reverse takeover. There is no certainty that the Company will be successful in listing on the ASX, however the Board is confident that it will be successful.

Subsequent to the reverse takeover the Company believes that it will have sufficient working capital to fast track its product development and implement its commercialisation strategy with a goal to launching its product in the second half of calendar year 2017.

Environmental regulation

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

Quantify Technology Ltd
Directors' report
30 June 2016

Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2016 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 liability and the amount of the premium.

Proceedings on behalf of the company


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

Auditor's independence declaration

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

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



Director

Date:
Perth

22/09/16.



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Quantify Technology Pty Ltd for the year ended 30 June 2016, 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 AUSTRALIA PARTNERS

Perth, WA
Dated: 27 September 2016

TUTU PHONG
Partner

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Quantify Technology Ltd
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30 June 2016

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General information

The financial statements cover Quantify Technology Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Quantify Technology Ltd's functional and presentation currency.

Quantify Technology Ltd is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 1
4 Sarich Way
Bentley WA 6102

Principal place of business

Level 1
4 Sarich Way
Bentley WA 6102

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

Quantify Technology Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	30 June 16	
		\$	
Revenue			
Other income	3	13,407	54
Expenses			
Administration and Corporate		(1,152,943)	(34,376)
Employee benefits		(1,254,309)	-
Marketing		(436,446)	(25,865)
Occupancy costs		(107,058)	-
Travel		(158,675)	(2,354)
Depreciation		(11,098)	-
(Loss) before income tax expense		(3,107,122)	(62,541)
Income tax expense		-	-
(Loss) after income tax expense attributable to the owners of Quantify Technology Ltd		(3,107,122)	(62,541)
Other comprehensive income		-	-
Total comprehensive (loss) attributable to the owners of Quantify Technology Ltd		(3,107,122)	(62,541)

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

Quantify Technology Ltd
Statement of financial position
As at 30 June 2016

	Note	30 Jun 16	\$
Assets			
Current assets			
Cash and cash equivalents	4	950,977	299,309
Trade and other receivables	5	377,249	6,941
Total current assets		<u>1,328,226</u>	<u>306,250</u>
Non-current assets			
Trade and other receivables	6	28,409	-
Plant and equipment		72,763	2,097
Intangible assets	7	6,298,007	5,604,490
Total non-current assets		<u>6,399,179</u>	<u>5,606,587</u>
Total assets		<u>7,727,405</u>	<u>5,912,837</u>
Liabilities			
Current liabilities			
Trade and other payables	8	513,240	426,498
Employee provisions		74,418	-
Total current liabilities		<u>587,658</u>	<u>426,498</u>
Non-Current Liabilities			
Borrowings	9	526,042	598,799
Total non-current liabilities		<u>526,042</u>	<u>598,799</u>
Total liabilities		<u>1,113,700</u>	<u>1,025,297</u>
Net assets		<u>6,613,705</u>	<u>4,887,540</u>
Equity			
Issued capital	10	9,592,781	4,950,081
Share-based payment reserve	11	190,587	-
Accumulated losses	12	(3,169,663)	(62,541)
Total equity		<u>6,613,705</u>	<u>4,887,540</u>

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

Quantify Technology Ltd
Statement of changes in equity
For the year ended 30 June 2016

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	-	-	-	-
(Loss) after income tax expense for the year	-	-	(62,541)	(62,541)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive (loss) for the year	-	-	(62,541)	(62,541)
Shares issued during the year	4,950,081	-	-	4,950,081
Balance at 30 June 2015	<u>4,950,081</u>	<u>-</u>	<u>(62,541)</u>	<u>4,887,540</u>
Balance at 1 July 2015	4,950,081	-	(62,541)	4,887,540
(Loss) after income tax expense for the year	-	-	(3,107,122)	(3,107,122)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive (loss) for the year	-	-	(3,107,122)	(3,107,122)
Shares issued during the year	4,642,700	-	-	4,642,700
Share-based payments	-	190,587	-	190,587
Balance at 30 June 2016	<u>9,592,781</u>	<u>190,587</u>	<u>(3,169,663)</u>	<u>6,613,705</u>

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

Quantify Technology Ltd
Statement of cash flows
For the year ended 30 June 2016

	Note	30 Jun 16 \$	30 Jun 15 \$
Cash flows from operating activities			
Interests		13,407	54
Payments to suppliers and employees		(1,916,882)	(25,775)
Net cash used in operating activities	16	(1,903,475)	(25,721)
Cash flows from investing activities			
Payments for plant and equipment		(81,763)	(2,097)
Payment for security bond		(28,409)	-
Payments for intellectual properties		(522,990)	(131,753)
Net cash used in investing activities		(633,162)	(133,850)
Cash flows from Financing activities			
Proceeds from issue of equity instruments after costs of issue		3,269,199	360,081
Repayment of borrowings		(80,894)	-
Proceeds from borrowings		-	98,799
Net cash provided by financing activities		3,188,305	458,880
Net increase in cash and cash equivalents		651,668	299,309
Cash and cash equivalents at the beginning of the financial year		299,309	-
Cash and cash equivalents at the end of the financial year	4	950,977	299,309

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

Note 1. 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 financial years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Quantify Technology Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Quantify Technology Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

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 company'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 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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.

Note 1. Significant accounting policies (continued)

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 changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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 current when: it is expected to be realised or intended to be sold or consumed in 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 current when: it is expected to be settled in 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 provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

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 plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect 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 national government 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.

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 interest. 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.

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.

Intangible assets

Intellectual property rights are recognised at cost of acquisition less accumulated amortisation and any impairment losses. For intellectual property rights not yet in use, they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Intangible assets have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project following commercialisation of the assets.

Note 1. Significant accounting policies (continued)

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.

Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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 company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated in the financial report based on historical knowledge and best current available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company 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 company 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.

Note 3. Other Income

	30 Jun 16 \$	30 Jun 15 \$
Interest	13,407	54

Note 4. Cash and cash equivalents

Cash on hand	2,956	81
Cash at bank	948,021	299,228
	<u>950,977</u>	<u>299,309</u>

Note 5. Trade and other receivables

	30 Jun 16 \$	30 Jun 15 \$
Prepayments	8,416	-
Allocated shares - unpaid	360,000	-
GST receivable	8,833	6,941
	<u>377,249</u>	<u>6,941</u>

Note 6. Non-Current assets – Trade and other receivables

	30 Jun 16 \$	30 Jun 15 \$
Security deposit*	28,409	-
	<u>28,409</u>	<u>-</u>

*The effective interest rate on short-term bank deposits was 2.7%. The term deposit is secured as the rights to the rental lease for the office at 1/4 Sarich Way, Bentley, WA.

Note 7. Intangible assets

Intellectual property rights – at cost	6,298,007	5,604,490
Amortisation	-	-
Accumulated impairment losses	-	-
	<u>6,298,007</u>	<u>5,604,490</u>
Movements in carrying amounts:		
Opening balance	5,604,490	5,604,490
Additions	693,517	-
Closing balance	<u>6,298,007</u>	<u>5,604,490</u>

Note 8. Trade and other payables

Trade payables	194,303	116,498
PAYG withheld	43,659	-
Superannuation payable	53,045	-
Share buyback amount payable	100,000	-
Unallocated shares	-	310,000
Accrued expenses	122,233	-
	<u>513,240</u>	<u>426,498</u>

Quantify Technology Pty Limited
Notes to the financial statements
30 June 2016

Note 9. Borrowings – non-current

Advanced from a related party *	17,905	89,468
Borrowings – related party **	508,137	509,331
	<u>526,042</u>	<u>598,799</u>

* The advanced is interest free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

** Borrowings from related party are unsecured, interest bearing at 9% per annum, and settlement is, unless the Company is successfully listed on the ASX, neither planned nor likely to occur in the foreseeable future. The terms of a Bid Implementation Agreement entered into between the Company and WHL Energy Ltd contemplate that the vendor finance will be repaid in three tranches, if the takeover is successful. If the takeover is unsuccessful, the borrowings are not likely to be settled in the foreseeable future.

Note 10. Equity - issued capital

	30 Jun 16 Shares	30 Jun 15 Shares	30 Jun 16 \$	30 Jun 15 \$
Ordinary shares - fully paid	<u>224,119,501</u>	<u>123,750,001</u>	<u>9,592,781</u>	<u>4,950,081</u>

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.

Note 11. Share-Based Payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	30 June 2016 \$
Performance shares issued under employee share plan	48,822
Options issued under employee option plan	141,765
Total	<u>190,587</u>

All options and performance shares granted to key employees of the Company.

Note 11. Share Based Payments (continued)

a) Options

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised during the period	Expired/forfeited/other	Balance at end of the period	Vested & exercisable at end of the period
			Number	Number	Number		Number	Number
25 April 2016	31 May 2017	\$0.075	-	6,250,000	-	-	6,250,000	-
			-	6,250,000	-	-	6,250,000	-

b) Performance shares

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Exercised during the period	Expired/forfeited/other	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number	Number
25 April 2016	24 May 2018	-	13,500,000	-	-	13,500,000	-
		-	13,500,000	-	-	13,500,000	-

Note 12. Equity - Accumulated losses

	30 Jun 16 \$	30 Jun 15 \$
Accumulated losses at the beginning of the financial year	(62,541)	-
(Loss) after income tax expense for the financial year	(3,107,122)	(62,541)
Accumulated losses at the end of the financial year	<u>(3,169,663)</u>	<u>(62,541)</u>

Note 13. Contingent liabilities

The company had no contingent liabilities as at 30 June 2016.

Note 14. Commitments

The company had no commitments for expenditure as at 30 June 2016.

Quantify Technology Ltd
Notes to the financial statements
30 June 2016

Note 15. Events after the reporting date

Since 1 July 2016 the company issued the following shares:

- 2,149,999 shares at \$0.06 per share to raise a total of \$129,000 for its working capital,
- 2,596,669 shares in lieu of fees to the value of \$148,800, and
- 2,000,000 shares and 500,000 options exercisable at 7.5 cents on or before 31 May 2017 to employees of the Company.

The Company has announced on the ASX that it intends to list by way of a reverse takeover. Further details can be found at <http://www.whlenergy.com/irm/PDF/1973/WHLEnergytoacquireloTcompanyQuantifyTechnologyLtd>

Other than the above, the directors are not aware of any significant events since the end of the reporting date.

Note 16. Reconciliation of profit after income tax to net cash from operating activities

	30 Jun 16 \$	30 Jun 15 \$
(Loss) after income tax expense for the year/period	(3,107,122)	(62,541)
Adjustments for:		
Depreciation	11,098	-
Accrued interests	8,137	-
Share-based payment	994,088	-
Change in operating assets and liabilities:		
- Receivables	(8,416)	-
- Creditors	198,740	36,820
Net cash used in operating activities	<u>(1,903,475)</u>	<u>(25,721)</u>

Quantify Technology Ltd
Directors' declaration
30 June 2016

In the directors' opinion:

- the company is not a reporting entity because there are currently no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Quantify Technology Ltd;
- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the 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.

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



Director

Date:
Perth

22/09/16

AUDIT REPORT TO GO HERE

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Quantify Technology Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Quantify Technology Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

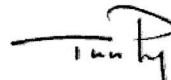
- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

A stylized, handwritten-style signature of the letters "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature, likely of Tutu Phong, consisting of a horizontal line followed by a stylized "P" and "H".

Perth, WA
Dated: 27 September 2016

TUTU PHONG
Partner



RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUANTIFY TECHNOLOGY PTY LTD**

We have audited the accompanying financial report, being a special purpose financial report, of Quantify Technology Pty Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements, is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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