Wangle Technologies™

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2018

ANNUAL REPORT
for the year ended 30 June 2018

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Jonathon Wild	Non-Executive Chairman
Mr Sean Smith	Managing Director and Chief Executive Officer
Mr Mathew Walker	Non-Executive Director

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Suite 9, 330 Churchill Avenue
Subiaco WA 6008
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS
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AUSTRALIA

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www.wan.gl (Wangle App)
www.wanglefamilyinsites.com (Family Insites)

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152-158 St George's Terrace
Perth WA 6000

ASX Code: WGL

AUDITORS
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Level 11, 12-14 The Esplanade
Perth WA 6000
AUSTRALIA

LAWYERS
Steinepreis Paganin
Level 4, The Read Buildings
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AUSTRALIA

SHARE REGISTRY
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DIRECTORS' REPORT

The directors of Wangle Technologies Limited (**ASX: WGL**) (**Company** or **Wangle**) submit herewith the annual financial report of the Company and its controlled entities (**Group**) for the financial year ended 30 June 2018 (**Report**).

DIRECTORS

The names and particulars of the directors of the Company in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

MR JONATHON WILD
NON-EXECUTIVE CHAIRMAN

Jon Wild has been a marketing leader for the past twenty years across a diverse range of categories and companies including Unilever, British Telecom (where he launched the O2 brand in Europe), Telstra, Orbitz Worldwide and more recently at Groupon (NASDAQ:GRPN) in roles including CMO (APAC) and VP of Marketing (North America).

Jon has extensive mobile, digital and commercial experience having led marketing strategy from start-ups to large multinational corporate organisations. His passion for disruptive narratives combined with a strong understanding of how technology is constantly changing the interaction between people, brands and business have built Jon's international reputation for marketing strategy leadership.

MR SEAN SMITH
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Sean Smith has almost two decades of experience growing and leading teams for a range of different sized business' including ASX-list Australian companies, NYSE-listed global businesses and one of Australia's privately funded start-up success stories.

Most recently as Head of Customer Experience for Woolworth's Endeavour Drinks Group across its portfolio of liquor brands including Dan Murphy's, Cellarmasters, Langtons, WineMarket and BWS, Sean built customer experience and analytics teams focused on increasing customer retention, value and sustained profitability in a fast paced and crowded market environment.

Sean's extensive experience in the Australian marketplace includes Head of Marketing for online restaurant booking app, Dimmi, where he successfully launched the consumer proposition focusing on customer acquisition, retention and value growth.

He led brand, communications and data strategy for HotelClub, an online hotel booking site owned by multinational travel business Orbitz Worldwide, where his focus included customer lifecycle strategy, customer experience and owned media commercialisation.

Sean's experience and expertise includes general management, P&L responsibility, omni-channel retail, customer experience, data strategy, marketing technology and marketing strategy.

MATHEW WALKER *(Appointed 9 July 2018)*
NON-EXECUTIVE DIRECTOR

Mathew Walker is a businessman and entrepreneur with extensive experience in the management of public and private companies, corporate governance and in the provision of corporate advice. In a management career spanning three decades, Mathew has served as executive Chairman or Managing Director for public companies with operations in North America, South America, Africa, Eastern Europe, Australia and Asia.

Mathew is the co-founder and Chairman of the Cicero Group – a boutique corporate advisory and administration firm with offices in Perth, Sydney and Singapore – and the former Chairman of Yojee Limited (ASX: YOJ). He is also a director of Corizon Limited (ASX: CIZ) and co-founder and director of the Stone Axe Pastoral Company.

OFFICERS

MRS LOREN KING
COMPANY SECRETARY

As well as being a Partner at, and Company Secretary of, the Cicero Corporate Services Pty Ltd, Loren King holds the positions of Non-Executive Director and Company Secretary at Brookside Energy Limited (ASX: BRK), Blaze International Limited (ASX: BLZ), Lustrum Minerals Limited (ASX: LRM) and Red Fox Capital Limited. Additionally, Loren currently serves as the Company Secretary of Fraser Range Metals Group Limited (ASX: FRN) and Andes Resources Limited. Past Non-Executive Director and/or Company Secretarial positions include Intiger Group Limited (AIM), MMJ Phytotech Limited (ASX: MMJ), Property Connect Holdings Limited (PCH), Alcidion Group Limited (ALC) and ZipTel Limited (ASX: ZIP).

Loren has a Bachelor of Psychology, is a Fellow Member of the Governance Institute of Australia holding a Graduate Diploma of Applied Corporate Governance and has a Certificate IV in Financial Services (Bookkeeping).

FORMER DIRECTORS

PROF. DONNA CROSS *(Resigned 29 March 2018)*
NON-EXECUTIVE DIRECTOR

Head of health education and promotion research at Telethon Kids Institute. Donna has an international reputation for developing community-based interventions; to reduce bullying including cyber related & other mental health harms amongst kids and teens. A Professor with the faculty of Medicine, Dentistry & Health Sciences at UWA and a member of AICD. In 2012 Donna received the WA 'Australian of the Year Award 'for services to children's health

MR JAMES ROBINSON *(Resigned 9 July 2018)*
NON-EXECUTIVE DIRECTOR

James has gained extensive capital markets and advisory experience during over 15 years with some of Western Australia's leading corporate advisory, funds management and stockbroking firms. Since co-founding the Cicero Group in 2008, he has served in either board or managerial positions of companies operating in North America, South America, Africa, Eastern Europe, Asia and Australia.

James currently serves as a General Partner of ESVCLP Fund Alchemy Venture Capital, a non-executive director of Jacka Resources Limited and as a founding shareholder of the Stone Axe Pastoral Company.

Along with his various personal interests, he is also Managing Director of the Cicero Group. James is a member of the Australian Institute of Company Directors and holds a Bachelor of Economics from the University of Western Australia.

DIRECTORS' SHAREHOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in shares and options of Wangle Technologies Limited and the relevant changes since 30 June 2017:

Directors	Ordinary Shares		Options over Ordinary Shares	
	Current holding	Net increase/ (decrease)	Current holding	Net increase/ (decrease)
Mr Jonathon Wild	2,000,000	1,000,000	6,000,000	6,000,000
Mr Sean Smith	3,500,000	2,500,000	11,750,000	11,750,000
Mr Mathew Walker	50,000,000	N/A[(i)]	50,000,000	N/A[(i)]

(i) Mr Walker was appointed as a Non-Executive Director on 9 July 2018.

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' reports and in the financial report have been rounded to the nearest dollar.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel is set out in the remuneration report on pages 5 - 11. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based compensation
D. Directors' equity holdings
E. Relationship between the remuneration policy and company performance

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The whole Board form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

- The directors and executives who receive the superannuation guarantee contribution, as required by the government, received 9.5% of base salary for the year ended 30 June 2018 and do not receive any other retirement benefits.

- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

- In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Group and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. No external remuneration consultant was used during the year.

- All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes methodology.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance-based remuneration component built into director and executive remuneration packages.

NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive directors consists of directors' fees, payable in advance. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Company's Non-Executive directors are eligible to receive fees for their services in addition to their role and the reimbursement of reasonable expenses.

SERVICE CONTRACTS

The Company entered into services agreements with each of its executive Directors and key management personnel as part of the process of converting into a public company and listing on the ASX. The Company also entered into Non-Executive Director appointment letters outlining the policies and terms of this appointment including compensation to the office of Director.

The principal terms of the executive service agreements existing at reporting date are set out below:

Mr Jon Wild – Non-Executive Chairman (Appointed 21 February 2017)

The Company entered into a consultancy agreement with Mr Jon Wild in respect of his appointment as a Non-Executive Chairman of the Company.

Mr Wild is paid a fee of $8,000 per month for his services as Non-Executive Chairman and is reimbursed for all reasonable expenses incurred in performing his duties.

The agreement may be terminated:

(a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
(b) in accordance with the law or the Company's constitution.

Payments for Mr Wild's services are made to Wild Consulting, a related entity.

Mr Sean Smith – Managing Director and Chief Executive Officer (Appointed 25 January 2017)

The Company and Mr Sean Smith entered into an employment agreement on 20 January 2017 for his role as Managing Director and Chief Executive Officer of the Company which commenced on 25 January 2017 and continues until terminated under the termination provisions outlined below. The principal terms of this agreement are as follows.

Remuneration payable to Mr Sean Smith shall be $20,075 per month inclusive of superannuation.

The agreement may be terminated:

(a) by either party without cause with 3 months' written notice or if the Company elects to with payment in lieu of notice;
(b) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; or
(c) by Mr Smith immediately, by giving notice, if the Company is in breach of a material term of this agreement.

Mr Mathew Walker – Non-Executive Director (Appointed 9 July 2018)

The Company entered into a consultancy agreement with Mr Mathew Walker in respect of his appointment as a Non-Executive Director of the Company.

Mr Walker is paid a fee of $10,000 per month for his services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing his duties.

The agreement may be terminated:

(a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
(b) in accordance with the law or the Company's constitution.

Payments for Mr Walker's services are made to Great Southern Flour Mills Pty Ltd, a related entity.

Prof. Donna Cross – Non-Executive Director (Resigned 29 March 2017)

The Company entered into a consultancy agreement with Prof. Donna Cross in respect of her appointment as a Non-Executive Director of the Company.

Prof. Cross is paid a fee of $5,000 per month for her services as Non-Executive Director and is reimbursed for all reasonable expenses incurred in performing her duties.

The agreement may be terminated:

(a) by providing the Company with written notice allowing reasonable time for the Company to plan for the departure; or
(b) in accordance with the law or the Company's constitution.

Payments for Prof. Cross' services are made to Sante Holdings Pty Ltd, a related entity.

B. DETAILS OF REMUNERATION

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Wangle Technologies Limited are set out below.

The key management personnel of Wangle Technologies Limited are the directors as listed on pages 2 to 3.

The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

The table below shows the 2018 and 2017 figures for remuneration received by the Company's directors and key management personnel:

Directors	Short-term Employee Benefits				Share-based Payments	Post-employment	Total
	Salary & Fees $	Super-annuation $	Reimburse-ments $	Other Benefits $	$	Prescribed Benefits $	$
2018							
Jonathon Wild[(i)(xiii)]	96,000	-		-	738	-	96,738
Sean Smith[(ii)]	220,000	20,900	-	-	1,476	-	242,376
James Robinson[(iii)(xiv)]	84,000	-	3,253	-	443	-	87,696
Donna Cross[(iv)(xv)]	45,000	-	-	-	443	-	45,443
	445,000	20,900	3,253	-	3,100	-	472,253
2017							
Jonathon Wild[(i)(xiii)]	32,000	-	246	6,000	-	-	38,246
Sean Smith[(ii)]	95,681	9,090	6,839	15,000	-	-	126,610
James Robinson[(iii)(xiv)]	36,581	-	1, 33	7,000	-	-	45,314
Donna Cross[(iv)(xv)]	12,500	-	-	-	-	-	12,500
Andrew Haythorpe[(v)]	40,000	-	-	-	-	-	40,000
Cam Worth[(v)(vi)]	197,435	18,553	1,969	-	-	-	217,957
Keaton Wallace[(vii)(xvi)]	180,000	-	5,389	-	-	-	185,389
Jason Gitmans[(vii)(xvii)]	69,000	-	777	-	-	4,333	74,110
	663,197	27,643	16,953	28,000	-	4,333	740,126

(i) *Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.*
(ii) *Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.*
(iii) *Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.*
(iv) *Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.*
(v) *Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.*
(vi) *Mr Worth was not entitled to Directors Remuneration during the financial year. His salary of $197,434 was received in consideration for his role as Chief Technology Officer, a position he held for the whole year.*
(vii) *Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.*
(viii) *Mr Worth was appointed on 16 June 2016 and was not entitled to Directors Remuneration during the financial year. His salary of $48,103 was received in consideration for his appointment as Chief Technology Officer on 22 March 2016.*
(ix) *Mr Wallace and Mr Gitmans were appointed on 19 February 2016.*
(x) *Payment of $50,000 to Mr Gitmans upon completion of the acquisition of NexGen Networks Limited on 26 February 2016 as consideration for accepting the role of Managing Director with the Company.*
(xi) *Mr Gitmans received a living allowance of $500 per week whilst he resides in Australia.*
(xii) *Mr Robinson received an additional one-off discretionary bonus in February 2016 for additional services provided in the fiscal year ending 30 June 2016, in relation to the acquisition of NexGen Networks Limited.*
(xiii) *Director fees for Jonathon Wild were paid to Wild Consulting, a related entity.*
(xiv) *Director fees for James Robinson were paid to Sabreline Pty Ltd, a related entity.*
(xv) *Director fees for Donna Cross were paid to Sante Holdings Pty Ltd, a related entity.*
(xvi) *Consultancy fees for Keaton Wallace were paid to Cardup Syndicate Holdings Pty Ltd, a related entity.*
(xvii) *Director fees for Jason Gitmans were paid to Stitch Ministry, a related entity.*

RELATED PARTY TRANSACTIONS

The Company entered into a mandate with Cicero Corporate Services Pty Ltd (**CCS**), a company related to Messrs Robinson and Walker for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. CCS provided services to the amount of $122,882 (2017: $108,514). As at 30 June 2018, $22,182 amount payable (2017: nil) remains outstanding.

The Company entered into a mandate with Cicero Advisory Services Pty Ltd (**CAS**), a company related to Messrs Robinson and Walker for corporate advisory services. CAS provided services to the amount of $44,600 (2017: nil). As at 30 June 2018, $20,000 amount payable (2017: nil) remains outstanding.

C. SHARE-BASED COMPENSATION

Options can be issued to directors and executives as part of their remuneration. The options are not based on performance criteria, but are issued to align the interests of directors, executives and shareholders.

A total of 21,000,000 unlisted options, exercisable at $0.10 on or before 31 August 2018, were granted as share-based compensation to directors during the year (2017: NIL). These unlisted options expired, unexercised on 31 August 2018.

D. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Wangle Technologies Limited:

The following fully paid ordinary shares were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2018 and 30 June 2017:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild(i)	1,000,000	-	1,000,000	-	-	2,000,000
Sean Smith(ii)	1,000,000	-	2,500,000	-	-	3,500,000
James Robinson(iii)	1,000,000	-	1,000,000	-	-	2,000,000
Donna Cross(iv)	-	-	-	-	-	-
2017						
Jonathon Wild(i)	-	-	1,000,000	-	-	1,000,000
Sean Smith(ii)	-	-	1,000,000	-	-	1,000,000
James Robinson(iii)	-	-	1,000,000	-	-	1,000,000
Donna Cross(iv)	-	-	-	-	-	-
Andrew Haythorpe(v)	21,800,000	-	-	-	21,800,000	-
Cam Worth(v)	23,625,000	-		16,750,000(vii)	-	40,375,000
Keaton Wallace(vi)	54,910,844	-	22,193,049	15,500,000(vii)	-	92,603,893
Jason Gitmans(vi)	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Conversion of Class A and Class B Performance Shares.

(ii) Share options of Wangle Technologies Limited:

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2018:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild(i)	-	5,000,000	-	1,000,000	-	6,000,000
Sean Smith(ii)	-	10,000,000	-	1,750,000	-	11,750,000
James Robinson(iii)	5,000,000	3,000,000	-	1,000,000	-	9,000,000
Donna Cross(iv)	-	3,000,000	-	-	3,000,000	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.

The following options were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2017:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2017						
Jonathon Wild[(i)]	-	-	-	-	-	-
Sean Smith[(ii)]	-	-	-	-	-	-
James Robinson[(iii)]	-	-	-	5,000,000[(vii)]	-	5,000,000
Donna Cross[(iv)]	-	-	-	-	-	-
Andrew Haythorpe[(v)]	10,000,000	-	-	-	10,000,000	-
Cam Worth[(v)]	-	-	-	-	-	-
Keaton Wallace[(vi)]	7,442,433	-	-	-	-	7,442,433
Jason Gitmans[(vi)]	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Options held at date of appointment.

(iii) Performance shares of Wangle Technologies Limited:

The following performance shares were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2018 and 30 June 2017:

Directors	Balance at 1 July No.	Acquired No.	Conversion No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild[(i)]	-	-	-	-	-	-
Sean Smith[(ii)]	-	-	-	-	-	-
James Robinson[(iii)]	-	-	-	-	-	-
Donna Cross[(iv)]	-	-	-	-	-	-
2017						
Jonathon Wild[(i)]	-	-	-	-	-	-
Sean Smith[(ii)]	-	-	-	-	-	-
James Robinson [(iii)]	-	-	-	-	-	-
Donna Cross[(iv)]	-	-	-	-	-	-
Andrew Haythorpe[(v)]	-	-	-	-	-	-
Cam Worth[(v)]	30,125,000	-	(16,750,000)[(vii)]	-	-	13,375,000
Keaton Wallace[(vi)]	23,250,000	-	(15,500,000)[(vii)]	2,250,000	-	10,000,000
Jason Gitmans[(vi)]	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executive Director on 25 January 2017.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Conversion to fully paid ordinary shares.

E. RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

Director remuneration is currently not linked to either long term or short-term performance conditions. The Board feels that the terms and conditions of options and shares currently on issue to the directors are a sufficient, long term incentive to align the goals of the directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2017 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 28 November 2017. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

- - END OF REMUNERATION REPORT - -

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 22.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS MEETINGS

The following table sets out the number of Directors' meetings held during the financial year ended 30 June 2018 and the number of meetings attended by each Director. During the period, 7 Board meetings were held. There is no separate nomination, remuneration or audit committee.

Board of Directors			
Board Member	**Eligible to Attend**	**Attended**	**Circular Resolutions Passed**
Jonathon Wild	7	6	3
Sean Smith	7	7	3
James Robinson	7	7	3
Donna Cross	5	3	1

REVIEW OF OPERATIONS

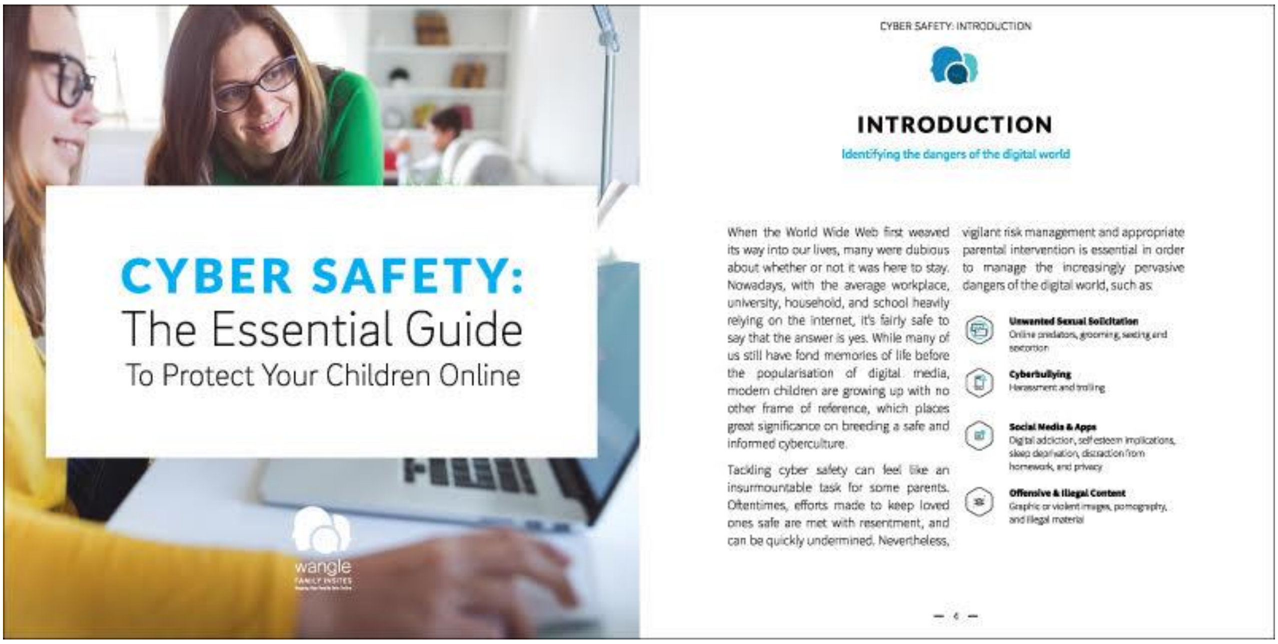
PRODUCT UPDATE

Operations in the first half of the year ended 30 June 2018 focused on the finalisation and release of the Company's family cyber-safety software platform, Wangle Family Insights (**WFI**), a first in market offering that combined research-based insights into childhood behaviours with real time behavioural analysis of children's internet activity.

In July the Company, in collaboration with the Telethon Kids Institute, announced it had completed the initial threat matrix for the WFI App to utilise for launch, with threats types including content-based threats (e.g. pornography, gambling, drugs & alcohol, weapons), after-hours access, excessive usage behaviours, changes to social media patterns for identifying cyber-bullying events, behavioural indicators for predatory engagement and movement based threats utilising live GPS tracking.

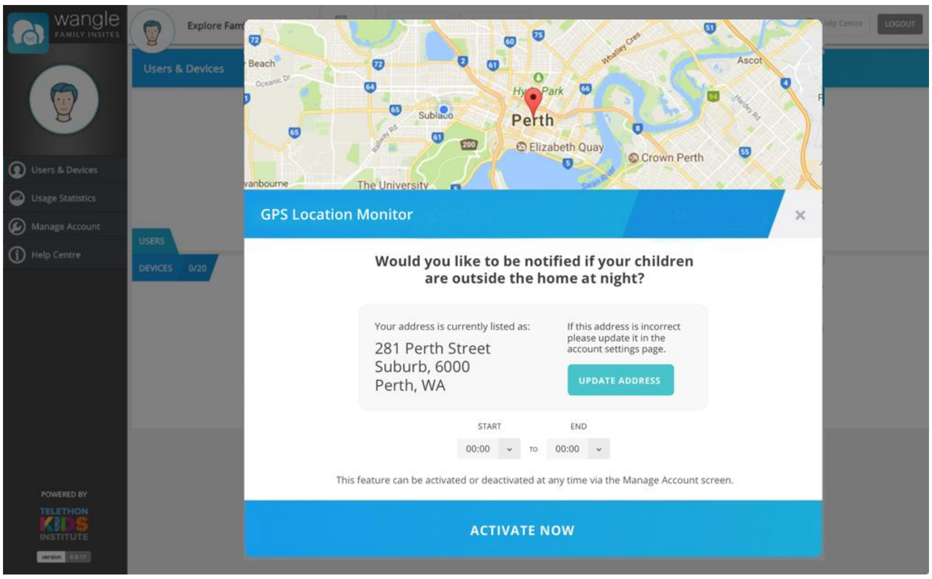
To enhance the educational content for parents provided by Telethon Kids Institute, in August the Company recruited renowned Australian cyber safety expert Robyn Treyvaud to head up the cyber education function of the Company and to drive the ongoing content required to assist families as well as to engage partner prospects in the education and business sectors.

Robyn Treyvaud is a globally recognised expert in online safety and digital citizenship. She is an educational leader with over 40 years of experience in Australia and has worked in Asia as an International Baccalaureate Primary Years Program workshop leader.

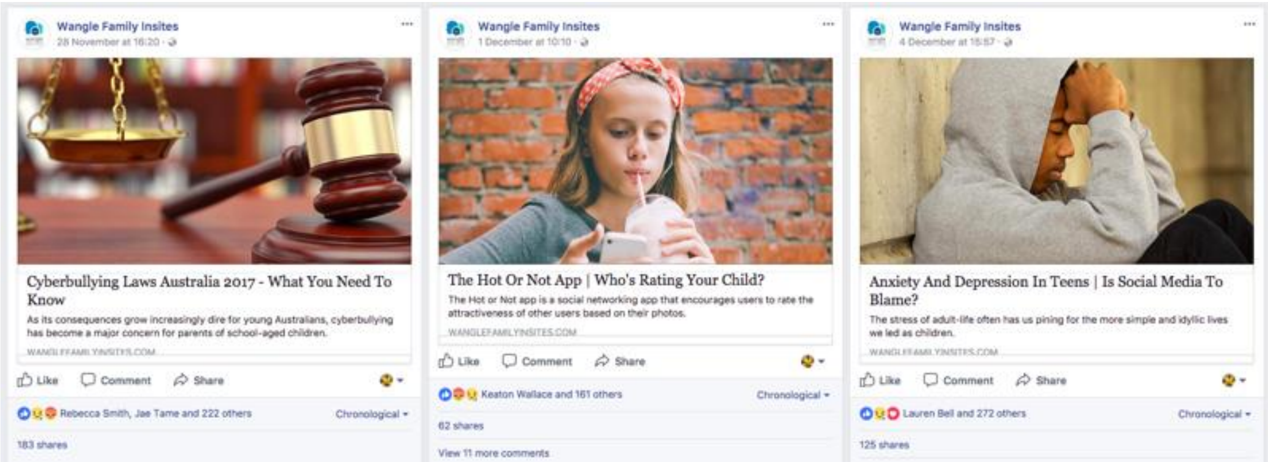


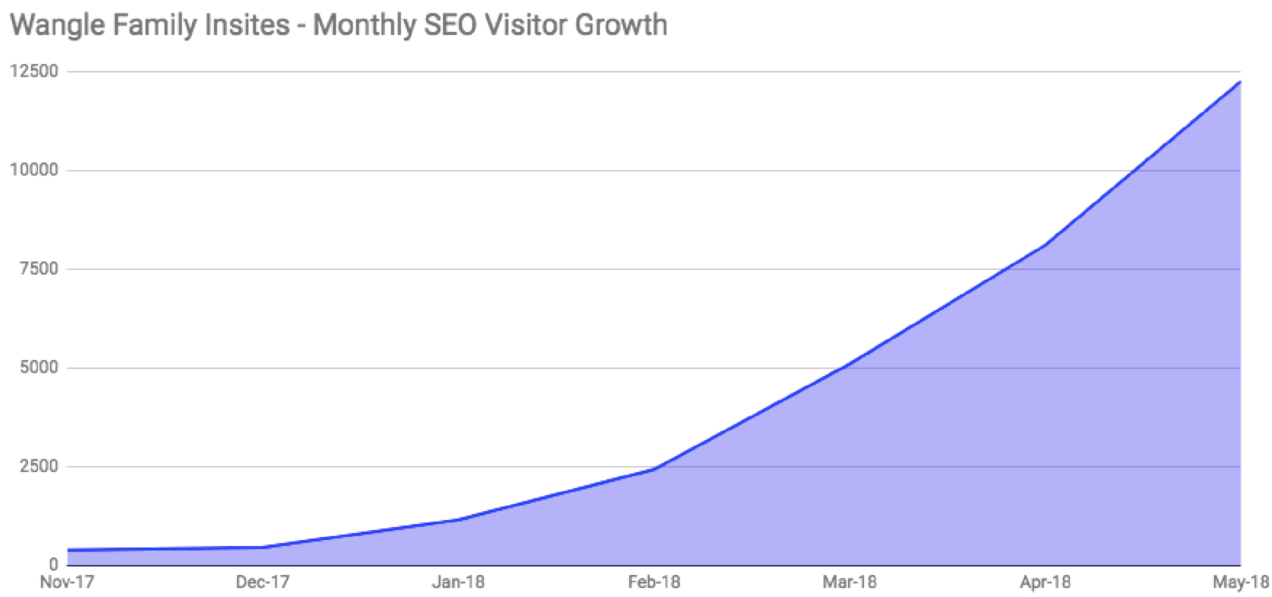
On the 10 August 2017, the Company announced closed beta testing of WFI had commenced in the lead-up to the official launch of the cyber-safety product suite. Following the beta testing phase, the Wangle Family Insights app officially launched to Apple (**iOS**) users on 27 October and Android users on 17 November via their relevant App stores on a monthly or annual family subscription including a free 30-day trial and initially targeting Australia's 6 million families before a future international expansion to develop scale.

On 7 December the Company announced further enhancements to Wangle Family Insites, with the key feature being a GPS gating service with alerts to parents when children moved more than 20M from the family residence.



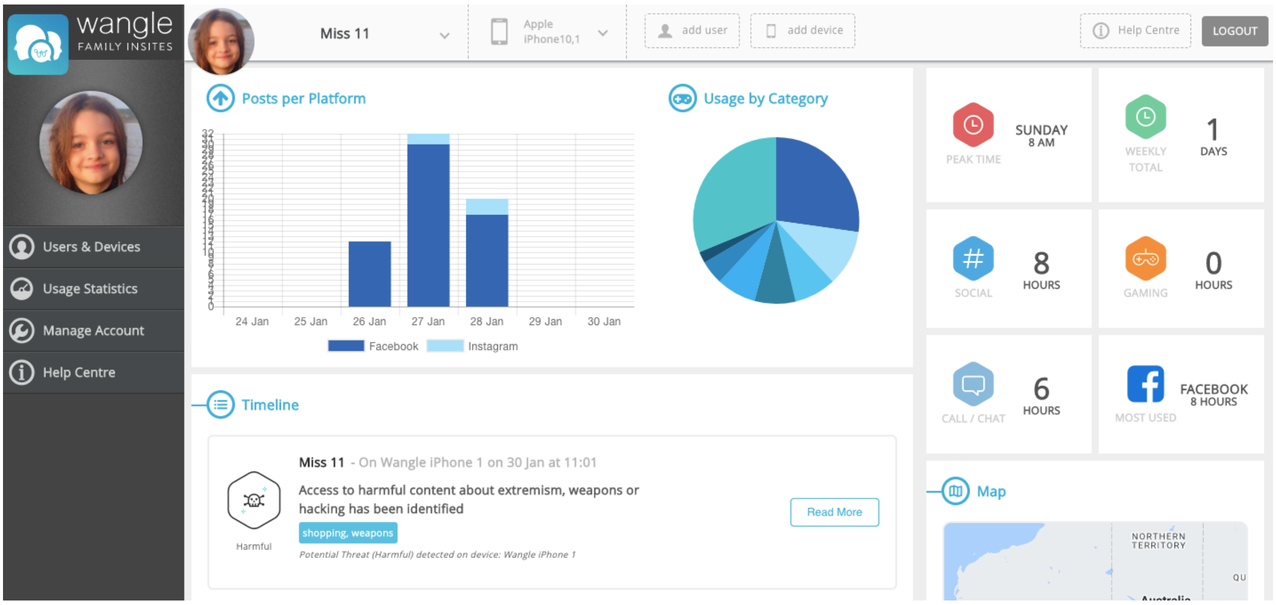
The following quarter focused on marketing of Wangle Family Insites with content production and lead generation activity contributing to 18,000 downloads the capture of 13,000 email leads, with the first customers contributing substantial feedback on suggested User Experience improvements and additional requests.





On 5 April the Company released a major update to Wangle Family Insites which included the addition of a "scheduling" feature (allowing parents to set time-based restrictions to children's devices), changes to the app setup process to address issues raised by customers, support for iPhone X and additional performance improvements to the VPN layer.

Following this release a major review of the Wangle Family Insites product was undertaken in conjunction with customers to clearly identify pain points and improvements needed. As a result of this review a major User Experience update was planned for the following quarter to ensure the product would be ready for international launch in the following year.



BUSINESS DEVELOPMENT

On the 3 July 2017, the company announced it had entered into a head of agreement with Constable Care Child Safety Foundation (**CCCSF**) in support of Wangle's child protection software, Wangle Family Insites, which is currently under development.

CCCSF is one of Australia's most trusted and recognised child safety and cyber safety brands and provides further independent endorsement (alongside the Telethon Kids Institute) of Wangle Family Insite's unique and proprietary approach to solving a global societal issue that threatens the wellbeing of children around the world.

The Company announced on the 17 August 2017, that the Company's CEO, Sean Smith, had been invited to speak at the Western Australian Council of State School Organisations Inc. (**WACSSO**) conference.

The WACSSO influences the direction of public education via the views of parents and citizens for the benefit of the students. The annual event is the one time of year public school parents and the education community from across the whole of Western Australia, come together to learn and share experiences about education and the public-school system.

The Company announced on 17 January 2018 that it had entered into a partnership with Western Australia Primary Principals Association (**WAPPA**) in support of its child protection software, Wangle Family Insites. The agreement gives Wangle access to school leaders across WA primary schools to help build awareness and support for Wangle Family Insites. The agreement has also enabled further introductions to equivalent principal associations in other Australian states.

On 13 February 2018, the Company entered into a consultancy agreement with Dr Neale Fong, for the purpose of assisting with major partnerships development, and international expansion opportunities for its best in class child protection software, Wangle Family Insites, as well as for assistance introducing new investors to the Company.

On 28 March 2018 the Company announced that Sean Smith (CEO) and Robyn Treyvaud (Head of Education) were invited to attend the ThinkUKnow cyber safety training program with the Australian Federal Police and representatives from the Office of the eSafety Commissioner.

In the final quarter the Company focused on distribution partnerships, announcing on 4 July that it had entered into an Affiliate Heads of Agreement incorporating content syndication with SkoolBag, a subsidiary of ASX listed entity MOQ Limited.

The purpose of the agreement is to provide WFI educational content, eBooks, and exclusive bespoke content for parents within the SkoolBag platform, including affiliate links to directly to download WFI from the Apple and Android app stores.

CORPORATE

On 29 March 2018 Company Director Professor Donna Cross announced her appointment to the Early Years Initiative, a collaboration between the Telethon Kids Institute, the Minderoo Foundation and the Western Australian Government. Subsequently Professor Cross resigned as a director of Wangle whilst remaining on as an advisor to the company in its effort to develop and commercialise its cyber safety product, Wangle Family Insites.

On 12 June 2018 the Company released a general market update on Wangle Operations that included details of an Organisational Review to focus on the geographic and commercial focus, resourcing requirements and cost efficiencies. The review culminated in the Company successfully shifting its core operations from Perth to Brisbane.

During the June quarter Company became aware that at the time of an issue of shares in December 2017 (**Placement**) made without a disclosure document the Company gave a cleansing notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) to ASX that was not effective given the Company had been suspended for more than 5 trading days in the previous 12 months. The Company was successful in obtaining orders from the Federal Court of Australia on the 7th of June seeking declaratory relief and ancillary orders relating to prior trading in shares from the Placements.

FINANCIAL UPDATE

On 19 July 2017, the Company announced that it had lodged claims for refundable offsets under the Federal Government's Research and Development (**R&D**) Tax Incentive Scheme.

Tax Advisor Maxim Private Advisory Pty Ltd assisted Wangle in identifying circa $2.7 Million in eligible expenditure within the 2016 / 2017 financial year. Under the R&D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, being circa $1.2 Million which is to be paid back to the Company as cash.

On 18 October 2017, the Company announced that its lodgement of the 2016/17 Financial Year Research & Development Claim, had returned $1,198,899 in cash to the Company through the Federal Government's Research and Development Tax Incentive Scheme. These refunds were utilised to implement the marketing plan and purse the successful commercialisation of Wangle Family Insites.

On 23 November 2017, the Company announced that it had entered into a Convertible Loan Agreement with Golden State Capital, Inc, an unrelated party, for an amount up to $2 Million.

CHANGES TO SECURITIES

On 8 December 2017, the Company issued 21,000,000 Director Options as approved by Shareholders at the Company's General Meeting held on 28 November 2017; refer to resolutions 6 to 9 of the Notice of Meeting dated 20 October 2017 for further details. These options are unquoted and exercisable at $0.10 each on or before 31 August 2018.

On 11 December 2017, the Company announced the completion of its Placement of 100,000,000 fully paid ordinary shares at an issue price of $0.014 per share with a 1 for 2 free attaching option, exercisable at $0.025 on or before 31 August 2018, to raise $1,400,000 before costs. The Company is applying to have the Options quoted on ASX, subject to satisfaction of the ASX Listing Rules. The Company has also issued a further 10,000,000 Options to the Lead Manager of the Placement as detailed in the Company's 5 November 2017 ASX release.

As announced on 11 May 2018, the Company issued 5,000,000 fully paid ordinary shares to Dr Neale Fong and 35,000,000 free-attaching unquoted options, exercisable at $0.025 each on or before 31 August 2018, to participants in the Company's 8 March 2018 placement. The Company previously announced that it would be seeking quotation of these options but due to an administration error at ASX the $0.025 class of options were never quoted. Subsequently, the Board opted not to proceed with their quotation due to the current market conditions and the high cost of quoting the options.

Further, the Company advised that the vesting conditions of the Company's Unquoted Options exercisable at $0.15 each were not satisfied and accordingly those Options lapsed.

The Company announced that its non-renounceable entitlement issue (**Entitlement Offer**) was closed on Friday 15 June 2018. Under the Entitlement Offer, eligible shareholders were offered the opportunity to subscribe for one (1) share for every one (1) existing share held, at an issue price of $0.003 per New Share, together with one (1) free attaching option, exercisable at $0.01 and expiring on 30 June 2021, for every one (1) New Share subscribed for and issued.

Under the Entitlement Offer eligible shareholders, with valid applications applied for a total of 113,074,642 New Shares and gross proceeds of $339,224. In addition, applications for a total of 138,718,556 New Shares have been received under the Shortfall Offer representing a further $416,115. The remaining number of New Shares available under the Shortfall Offer is 848,650,970 (**Shortfall**).

FINANCIAL REVIEW

The Group has incurred a net loss after tax for the year ended 30 June 2018 of $6,004,172 (2017: $5,073,278), and a net cash outflow from operations of $2,454,623 (2017: $1,495,506). At 30 June 2018, the Group has net current liability of $405,388 (2017: $752,041 net assets) and net deficiency of $349,004 (2017: $3,016,242 net equity).

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the five years to 30 June 2018:

	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Revenues from ordinary activities	1,214,763	840,726	116,706	19,118	5,813
Loss from ordinary activities after tax attributable to members	(6,004,172)	(5,073,278)	(7,740,266)	(390,702)	(840,940)
Net loss for the period attributable to members	(6,004,172)	(5,073,278)	(7,740,266)	(390,702)	(840,940)
Share price at start of year ($)	0.015	0.03	0.041	0.001	0.001
Share price at end of year ($)	0.003	0.014	0.03	0.041*	0.001
Basic & diluted profit/(loss) per share	(0.006)	(0.007)	(0.014)	(0.001)*	(0.00027)

** Post-consolidation basis*

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure management's objectives and activities are aligned by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of Board approved operating plans and Board monitoring of the progress against budgets.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Company's state of affairs occurred during the period.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities to date have not been subject to any particular and significant environmental regulation under Laws of either the Commonwealth of Australia or a State or Territory of Australia.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 4 July 2018, the Company announced it had entered into an agreement with parental school app platform provider **SkoolBag**. The announcement detailed Wangle's provision of bespoke education content and affiliate links to the WFI app available to over a million parents via a content integration the SkoolBag platform.

The placement of the remaining shortfall securities (**Shortfall**) from the 11 March 2018 Entitlement Offer was managed by the broker and lead manager of the Entitlement Issue, CPS Capital Group Pty Ltd (**CPS**). The Company announced the closure of the Shortfall on 26 July 2018 with the successful placement of all 848,650,970 shares to raise gross proceeds of $2,545,953.

On 9 July, the Company announced the appointment of Mr Mathew Walker to the Board as Corporate Director to focus on shareholder engagement, capital raising and business development. Non-executive Director Mr James Robinson announced his resignation from the Board.

The following unlisted options expired, unexercised on 31 August 2018:

- 138,034,867 options exercisable at $0.025;
- 5,000,000 options exercisable at $0.075; and
- 26,000,000 options exercisable at $0.10.

On 17 September 2018, the Company announced it had lodged its 2017/2018 claim for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (**R&D Scheme**).

The Company's tax adviser Maxim Private Advisory Pty Ltd assisted Wangle in identifying circa $2.8 Million in eligible expenditure within the 2017/2018 Financial Year. Under the R&D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, with circa $1.2 Million to be paid back the Company as cash. These refunds are expected to be received within the December quarter.

INDEMNITIES AND INSURANCE OF DIRECTORS AND OFFICERS

During the reporting period and up to the date of this report, the Company has paid premiums insuring all the directors of Wangle Technologies Limited against costs incurred in defending conduct involving a breach of duty and/or a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

Wangle has agreed to indemnify all directors and executive officers of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of Wangle, except where the liability has arisen as a result of a wilful breach of duty in relation to the Company. The agreement stipulates that Wangle will meet the full amount of any such liabilities, including costs and expenses. The Company has paid a total of $8,000 in insurance premiums, relating to Director and Officer insurance, during the financial year.

DIVIDENDS

No dividends were paid or declared during the financial year and no recommendation for payment of dividends has been made.

OPTIONS

During the 2018 financial year, the Group issued 367,793,198 options. These options have various expiry dates and exercise prices as follows:

Grant Date	Expiry Date	Number of Options	Exercise Price
8 December 2017	31 August 2018	21,000,000(i)	$0.10
11 December 2017	31 August 2018	60,000,000(i)	$0.025
11 May 2018	31 August 2018	35,000,000(i)	$0.025
22 June 2018	30 June 2021	251,793,198	$0.01

(i) These unlisted options expired, unexercised on 31 August 2018.

There were 420,828,065 unissued ordinary shares in respect of which options are outstanding at the end of the year. These options have various expiry dates and exercise prices as follows:

Expiry Date	Number of Options	Exercise Price
31 August 2018	138,034,867(i)	$0.025
31 August 2018	5,000,000(i)	$0.075
31 August 2018	26,000,000(i)	$0.10
30 June 2021	251,793,198	$0.01

(i) These unlisted options expired, unexercised on 31 August 2018.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Group are important. No non-audit services were provided by the Company's current auditors, Pitcher Partners BA & A Pty Ltd during the year (2017: Nil).

COMPLIANCE

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance policies and practices of the Company are reviewed annually in accordance with the standards required of the Company by the Directors, the ASX, ASIC and other relevant stakeholders, to ensure that the highest appropriate governance standards are maintained, commensurate with the size and operations of the Company.

The ASX Corporate Governance Council released the third edition of its Corporate Governance Principles and Recommendations on 27 March 2014 to take effect for the first full financial year commencing on or after 1 July 2014. The Company's Corporate Governance Statement, and associated policy documents complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations as appropriate, having regard to the size of the Company and the nature of its enterprise. The Corporate Governance Statement can be found on the Company's web site: www.wangletechnologies.com.au.

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Company are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Company's expense obtain independent professional advice to properly discharge his responsibilities.

BOARD COMPOSITION

The Board consists of one Executive and three Non-Executive Directors. Details of their skills, experience and expertise and the year of office held by each director have been included in the Directors' Report. The number of Board meetings and the attendance of the directors are set out in the Directors' Report.

The Board will decide on the choice of any new director upon the creation of any new Board position and if any casual vacancy arises. Decisions to appoint new directors will be minuted. The Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate nomination committee. Until the situation changes the Board of Wangle will carry out any necessary nomination committee functions.

SHARE TRADING POLICY

Directors, officers and employees are prohibited from dealing in Wangle shares when they possess inside information. The Board is to be notified promptly of any trading of shares in the Company by any director or officer of the Company.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

For, and on behalf of, the Board of the Company,

Jonathon Wild
Chairman
Perth, Western Australia this 28th day of September 2018.

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WANGLE TECHNOLOGIES LIMITED

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Wangle Technologies Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN
Executive Director
Perth, 28 September 2018

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and International Financial Reporting Standards as disclosed in Note 2 and giving a true and fair view of the financial position and performance of the Group for the year ended on that date;

(c) the audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Act and Regulations 2001; and

(d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* for the year ended 30 June 2018.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

For, and on behalf of, the Board of the Company,

Jonathon Wild
Chairman
Perth, Western Australia this 28th day of September 2018.

Wangle Technologies Limited
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Opinion

We have audited the financial report of Wangle Technologies Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 Group, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.2 to the consolidated financial report which indicates that the Group incurred a net loss of $6,004,172 during the year ended 30 June 2018 (2017: loss of $5,073,278), and as of that date, the Group had net current liabilities of $405,388 (2017: net current assets of $752,041) and had cash and cash equivalents of $288,197 (2017: $922,745). These conditions, along with other matters as set forth in Note 2.1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Wangle Technologies Limited
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

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.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of development costs and intellectual property *Refer to Note 10*	
Given the changing nature of the industry and the competitive environment in which the Group now operates, these is a risk that works performed to date on the development of the Group's product offerings are being carried at an amount greater than their recoverable value. The evaluation of the recoverable amount of each cash generating unit ('CGU') requires significant judgement in determining the key assumptions and estimates, including but not limited to: ▪ growth rate assumptions; and ▪ forecast future cash flows supporting the expected future cash flows of the business and the utilisation of the relevant assets.	Our procedures included, amongst others: Obtaining an understanding of the relevant controls associated with the preparation of the valuation models used to assess the recoverable value of each CGU. Assessing management's determination of CGUs based on our understanding of the nature of the Group's business and the economic environment. Critically reviewing and challenging significant judgements by management in respect of the key assumptions and estimates used to determine the recoverable value of each CGU and performing sensitivity analysis on the key assumptions. Critically reviewing and challenging management's assessment of impairment indicators and assessment of useful life of each CGU. Assessing the appropriateness of the disclosures included within the financial report.

Key Audit Matter	How our audit addressed the key audit matter
Going concern *Refer to Note 2.1.2*	
For the year ended 30 June 2018, the Group has incurred a deficit of $6,004,172 and has net cash outflow from operating and investing activities of $3,255,057. The Group also has net current liabilities of $405,388. The Director's assessment of the Group's going concern ability was an area of focus and we paid particular attention to the key assumptions and judgements taken by the Directors that most significantly impacted these cash flow forecasts, including the assumptions used in forecasting projected sales and the likelihood that the Group would need additional capital raising to continue in the following period.	Our procedures included, amongst others: Checking and satisfying ourselves that the cash flow forecasts prepared by Directors and reviewed by the Board were consistent with the Group's strategy and current position. Applying sensitivities to the Directors' cash flow forecasts, including assessing the reasonableness of forecasted costs by agreeing to standing agreements and consistency with prior year expenditure. Challenging management assumptions regarding the ability to generate future cash inflows through the sales of its product offerings. This includes, amongst others, assessing the reliability of historical forecasts and the assumptions made by third parties in providing forecast sale numbers. Reviewing subsequent documentation and ASX announcements on the forecast cash inflows associated with the receipt of the R&D tax incentive offset refund. Assessing the appropriateness of the disclosures included within the financial reports.

Wangle Technologies Limited
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Key Audit Matter	How our audit addressed the key audit matter
Share based payments *Refer to Note 15*	
At 30 June 2018, the Group records share based payments of $33,100. Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted. In calculating the fair value based on the Black Scholes Model, there are a number of judgements management must make including but not limited to: ▪ Assessing the probability of achieving key performance milestones in relation to vesting conditions; and ▪ Assessing the fair value of the share price on grant date, estimate of expected future share price volatility, expected dividend yield and risk-free rate of interest.	Our procedures included, amongst others: Obtaining an understanding of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation. Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, agreeing inputs to internal and external sources of information. Assessing the Group's accounting policy as set out within Note 2.10 for compliance with the requirements of AASB 2 *Share-based Payment*.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report, which was obtained as at the date of our audit report, and any additional other information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 above 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 Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2018. In our opinion, the Remuneration Report of Wangle Technologies Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Wangle Technologies Limited
ABN 80 096 870 978

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Responsibilities

The Directors of the Group 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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

PAUL MULLIGAN
Executive Director
Perth, 28 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2018

	Notes	2018 $	2017 $
Continuing operations			
Revenue	3	12,220	40,195
Interest income	3	3,644	60,661
R+D Tax Rebate		1,198,899	739,870
Other income		25,650	-
Research and development costs, materials and consultants		(1,654,874)	(771,008)
Directors' fees, salaries, superannuation and consulting costs		(1,600,648)	(1,087,667)
Depreciation expenses		(27,238)	(26,540)
Public company costs, fees, share registry, shareholder costs		(77,030)	(87,966)
Occupancy costs		(109,309)	(66,084)
Legal fees		(136,703)	(48,607)
Audit fees		(38,576)	(38,512)
Insurances		(8,490)	(9,786)
Interest expenses		(58,260)	(17,942)
Foreign exchange expense		(12,142)	(215)
Other expenses from ordinary activities		(316,811)	(143,362)
Corporate fees		(170,078)	(125,495)
Share-based payments	15	(33,100)	(43,143)
Impairment expense	10	(2,981,012)	(3,434,599)
Loss on disposal of subsidiaries	17.1	(25,650)	-
Loss before income tax expense		**(6,009,508)**	**(5,060,200)**
Income tax (benefit)/expense		-	-
Loss after income tax expense from continuing operations		(6,009,508)	(5,060,200)
Profit/(loss) after income tax expense from discontinued operations	22.1	5,336	(13,078)
Loss after income tax expense for the year attributable to the owners of the Company		**(6,004,172)**	**(5,073,278)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		9,840	12,533
Total comprehensive loss for the year		**(5,994,332)**	**(5,060,745)**
Loss for the year attributable to:			
Owners of the Company			
- from continuing operations		(6,009,508)	(5,074,027)
- from discontinued operations		5,336	(13,078)
Profit attributable to non-controlling interests		-	13,827
		(6,004,172)	**(5,073,278)**
Total comprehensive loss for the year is attributable to:			
Owners of the Company			
- from continuing operations		(5,999,668)	(5,061,494)
- from discontinued operations	22.1	5,336	(13,078)
Profit attributable to non-controlling interests		-	13,827
		(5,994,332)	**(5,060,745)**
Loss per share from continuing operations			
Basic and diluted loss per share (cents per share)	5	(0.006)	(0.007)
Loss per share from discontinued operations			
Basic and diluted loss per share (cents per share)	5	-	-

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 $	2017 $
Current assets			
Cash and cash equivalents	20	288,197	922,745
Trade and other receivables	7	151,213	118,060
Total current assets		439,410	1,040,805
Non-current assets			
Plant and equipment	8	56,384	70,535
Development costs	10	-	2,142,210
Intellectual property	10	-	51,456
Total non-current assets		56,384	2,264,201
Total assets		**495,794**	**3,305,006**
Liabilities			
Current liabilities			
Trade and other payables	11	832,771	270,711
Provision for leave		12,027	18,053
Total current liabilities		844,798	288,764
Total liabilities		**844,798**	**288,764**
Net (liabilities)/assets		**(349,004)**	**3,016,242**
Equity			
Issued capital	12	28,375,771	25,765,103
Reserves	13	532,565	1,175,547
Accumulated losses		(29,257,340)	(23,924,408)
Total equity		**(349,004)**	**3,016,242**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2018

	Share Capital $	Option Reserve $	Performance Share Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non-Controlling Interests $	Total $
Balance at 1 July 2016	21,102,320	720,187	1,583,941	199	(18,837,303)	(113,603)	4,455,741
Consolidated loss for the year	-	-	-	-	(5,087,105)	13,827	(5,073,278)
Foreign currency translation effect	-	-	-	12,533	-	-	12,533
Total comprehensive income for the year	**-**	**-**	**-**	**12,533**	**(5,087,105)**	**13,827**	**(5,060,745)**
Shares/Options issued during the year	3,513,327	8,143	-	-	-	-	3,521,470
Shares issued on the acquisition of subsidiary	1,149,456	-	(1,149,456)	-	-	-	-
Acquisition of minority interest share in NexGen	-	-	-	-	-	99,776	99,776
Balance at 30 June 2017	**25,765,103**	**728,330**	**434,485**	**12,732**	**(23,924,408)**	**-**	**3,016,242**
Balance at 1 July 2017	25,765,103	728,330	434,485	12,732	(23,924,408)	-	3,016,242
Consolidated loss for the year	-		-	-	(6,004,172)	-	(6,004,172)
Foreign currency translation effect	-	-	-	9,840	-	-	9,840
Total comprehensive income for the year	**-**	**-**	**-**	**9,840**	**(6,004,172)**	**-**	**(5,994,332)**
Shares/Options issued during the year	2,745,380	18,418	-	-	-	-	2,763,798
Share/Option issue costs	(134,712)	-	-	-	-	-	(134,712)
Options lapsed during current period	-	(8,143)	-	-	8,143	-	-
Options lapsed during previous periods	-	(663,097)	-	-	663,097	-	-
Balance at 30 June 2018	**28,375,771**	**75,508**	**434,485**	**22,572**	**(29,257,340)**	**-**	**(349,004)**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,628,581)	(2,313,124)
Receipts from customers		29,675	35,029
Interest received	3	3,644	60,661
Interest paid		(58,260)	(17,942)
R&D Tax Rebate		1,198,899	739,870
Net cash used in operating activities	20.1	(2,454,623)	(1,495,506)
Cash flows from investing activities			
Payments for property, plant and equipment		(13,087)	(14,738)
Payments for intangible assets; R&D costs	10	(787,346)	(1,264,518)
Payments for intangible assets; intellectual property	10	-	(21,768)
Net cash used in investing activities		(800,433)	(1,301,024)
Cash flows from financing activities			
Proceeds from issues of shares	12	2,745,380	475,000
Payments of share issue costs		(134,712)	-
Net cash generated by financing activities		2,610,668	475,000
Net decrease in cash and cash equivalents		**(644,388)**	**(2,321,530)**
Cash and cash equivalents at the beginning of the year		922,745	3,245,569
Foreign exchange effects		9,840	(1,294)
Cash and cash equivalents at the end of the year	20	**288,197**	**922,745**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the final annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 30 June 2018

1. GENERAL INFORMATION

Wangle Technologies Limited (the Company and controlled entities) is a limited company incorporated in Australia. The principal activity in the course of the financial year was the development, compliance and commercialisation of the Wangle Application.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and its controlled entities (collectively the Group).

The financial statements were authorised for issue by the directors on 28 September 2018.

2.1. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

2.1.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Board Standards (**AASBs**) set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

2.1.2. Going concern

The Directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statements may have to be prepared on a different basis, and, if so, the basis used is disclosed.

The Statement of Comprehensive Income shows the Group incurred a net loss of $6,004,172 (2017: $5,073,278) during the year ended 30 June 2018 which included an impairment to capitalised development expenditure of $2,981,013.

The Statement of Financial Position as at 30 June 2018 shows that the Company had cash and cash equivalents of $288,197 (30 June 2017: $922,745) and a net current liability position of $405,388 (30 June 2017: $752,041 net current assets).

The Company announced that its non-renounceable entitlement issue (**Entitlement Offer**) was closed on Friday 15 June 2018. Under the Entitlement Offer, eligible shareholders were offered the opportunity to subscribe for one (1) share (**New Shares**) for every one (1) existing share held, at an issue price of $0.003 per New Share, together with one (1) free attaching option, exercisable at $0.01 and expiring on 30 June 2021, for every one (1) New Share subscribed for and issued (**New Options**).

Subsequent to year end, the placement of the remaining shortfall securities (**Shortfall**) was managed by the broker and lead manager of the Entitlement Issue, CPS Capital Group Pty Ltd, who successfully placed all 848,650,970 shares to raise gross proceeds of $2,545,953.

Subsequent to year end, the Company announced it had lodged its 2017/2018 claim for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (**R&D Scheme**).

The Company's tax adviser Maxim Private Advisory Pty Ltd assisted Wangle in identifying circa $2.8 Million in eligible expenditure within the 2017/2018 Financial Year. Under the R&D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, with circa $1.2 Million to be paid back the Company as cash. These refunds are expected to be received within the December quarter.

The board has reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity or other alternative funding arrangements.

The directors reasonably expect that the Group will be able to meet future costs associated with its operating and exploration activities for at least the next 12 months. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group not be successful in obtaining adequate funding, there is material uncertainty as to the ability of the Group to continue as a going concern and it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the group be unable to continue as a going concern and meet its debts as and when they fall due.

2.1.3. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.1.4. Share Based Payments

The Company measures the cost of equity-settled transactions with suppliers and employees by reference to the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted. The fair value of the equity instruments granted is determined using the 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.

2.1.5. Comparative figures

Where required by AASBs comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

2.2. PRINCIPLES OF CONSOLIDATION

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

2.2.1. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquisition; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;
  less
- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.
The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.2.2. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2.2.3. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.2.4. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2.5. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and

- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

2.3. ASSET ACQUISITION

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 Income Taxes applies. No goodwill will arise on the acquisition.

2.4. TAXATION

2.4.1. Tax Consolidation

The Company it is wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2016 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Wangle Technologies Limited.

Current tax liabilities and assets and deferred tax assets arising from the unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

2.4.2. Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised 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 and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

2.4.3. Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

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

2.4.4. Fair Value

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

2.5. PLANT AND EQUIPMENT

2.5.1. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting Note 2.7 Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

2.5.2. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

2.5.3. Depreciation

Depreciation is charged to the income statement on a diminishing value or straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates using the straight-line method for the current and comparative period are:

Class of fixed asset	Depreciation rate (%)
Plant and Equipment	20
Motor Vehicles	20
Office Equipment	20-40
Furniture and Fittings	20
Computer Equipment	40-100

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

2.6. RESEARCH & DEVELOPMENT EXPENDITURE

The Group capitalises all research and development costs as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following has been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit, which will normally be the useful life of the asset. During the period of development, the asset is tested for impairment annually.

2.7. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting Note 2.4.2) 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.

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 income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. 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 the other assets in the unit on a pro rata basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

2.8. FINANCIAL INSTRUMENTS

2.8.1. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are initially measured at fair value on the date of settlement. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.8.2. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

2.8.3. Classification and Subsequent Measurement

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Trade and other receivables

Receivables are usually settled within 60 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Collectability of trade and other receivables are reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30-day terms.

Share capital

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

2.8.4. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

2.8.5. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

2.8.6. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

2.8.7. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. 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.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

2.8.8. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2.8.9. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

2.9. EMPLOYEE BENEFITS

2.9.1. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled wholly within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

2.9.2. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

2.9.3. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

2.9.4. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

2.9.5. Equity-settled compensation

The Group operates an employee share option plan. 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 employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2.10. SHARE-BASED PAYMENTS TRANSACTIONS

Under AASB 2 Share-Based Payments, the Group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. For Options the fair value is determined using a Black-Scholes model.

2.11. PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results, and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

2.12. CONTINGENT LIABILITY

Contingent liabilities are not recognised but are disclosed in the financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement becomes probable and the amount can be reliably estimated, a provision is recognised.

The amount disclosed as a contingent liability is the best estimate of the settlement.

2.13. EARNINGS PER SHARE

2.13.1. Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, 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 year.

2.13.2. 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.

2.14. LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2.15. REVENUE AND OTHER INCOME

Interest revenue is recognised in accordance with Note 2.8.9 Finance income and expenses.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of GST (Note 2.4.3 Goods and Services Tax (GST)).

2.15.1. Government grants

Government grants are recognised under AASB 120 where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Income from the Research & Development (R&D) Tax Offset is recognised in profit before tax over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Expenditure on research and development is capitalised to the balance sheet in the year in which it is incurred (Note 2.6 Research & Development Expenditure).

2.16. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.17. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.17.1. Key Estimate - Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer Note 6 Income Tax on page 54.

2.17.2. Key Estimate - Intangible assets and amortisation

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.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

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 four years.

2.17.3. Key Estimate – Provision for R&D

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the amount refundable on accrual basis. In determining the amount of the R&D provision at year end, there is an estimation process utilising a conservative approach. Any changes to the estimation are recorded in the subsequent Financial Year.

2.17.4. Share-Based Payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a 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.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

2.17.5. Research & Development Assets

The Company's accounting policy for capitalised development expenditure is set out in Note 2.6. The application of this policy necessarily requires management to make certain estimates and assumptions as to the future events and circumstances of the Company. Any such estimate and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is concluded that the expenditures relate to aspects of the asset no longer utilised, or it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

2.17.6. Impairment of Assets

In determining the recoverable amount of assets, in the absences of quoted market prices, estimations are made regarding the present value of future cash flows using asset specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

2.18. NEW, REVISED OR AMENDING 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. Any new, revised or amending AASBs that are not yet mandatory have not been early adopted. The adoption of these AASBs did not have any significant impact on the financial performance or position of the Group.

2.19. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

AASBs 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 2018. The Group's assessment of the impact of these new or amended AASBs, most relevant to the Group, are set out below.

2.19.1. AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces 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 solely principal and interest. All other financial instrument assets are to be 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) in other comprehensive income (**OCI**) or financial liabilities, 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 will use an 'expected credit loss' (**ECL**) model to recognise an allowance.

Impairment will be measured under 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. The standard introduces additional new disclosures.

The consolidated entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

2.19.2. AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand- alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be 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. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The consolidated entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

2.19.3. 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 will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. 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. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in 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 be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. Based on the entity's preliminary assessment as per lease commitment in Note 21.1, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements upon adoption.

3. REVENUE

3.1. REVENUE FROM CONTINUING OPERATIONS

	2018 $	2017 $
Revenue	12,220	40,195
Interest received	3,644	60,661
R&D Tax Rebate	1,198,899	739,870
	1,214,763	840,726

4. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2018 $	2017 $
Audit fees	38,576	38,512
Operating lease - occupancy costs	109,309	66,084
Superannuation	130,766	62,001
	278,651	166,597

5. LOSS PER SHARE

5.1. BASIC LOSS PER SHARE

	2018 Cents Per Share	2017 Cents Per Share
From continuing operations	(0.006)	(0.007)
Total basic loss per share	(0.006)	(0.007)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2018 $	2017 $
Loss for the year from continuing operations	(6,004,172)	(5,074,027)
Loss for the year	(6,004,172)	(5,074,027)
	No.	**No.**
Weighted average number of ordinary shares for the purposes of basic loss per share	1,007,004,019	773,165,813

5.2. DILUTED LOSS PER SHARE

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	2018 No.	2017 No.
Unlisted options exercisable at $0.05 on or before 31 Dec 2017	-	2,000,000
Unlisted options exercisable at $0.025 on or before 31 Aug 2018(i)	138,034,867	43,034,867
Unlisted options exercisable at $0.075 on or before 31 Aug 2018(i)	5,000,000	5,000,000
Unlisted options exercisable at $0.10 on or before 31 Aug 2018(i)	26,000,000	5,000,000
Unlisted options exercisable at $0.15 on or before 31 Aug 2018(ii)	-	5,000,000
Unlisted options exercisable at $0.01 on or before 30 June 2021	251,793,198	-

(i) These unlisted options expired, unexercised on 31 August 2018.
(ii) The vesting conditions of the unlisted options each were not satisfied and lapsed accordingly during the year.

6. INCOME TAX

6.1. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2018 $	2017 $
Current tax	-	-
Deferred tax	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

	2018 $	2017 $
Loss before tax	(6,009,508)	(5,060,200)
Income tax (benefit) calculated at 27.5% (2017: 27.5%)	(1,652,615)	(1,391,555)
Tax effect of lower foreign tax rates	(2,885)	1,572
Effect of expenses not deductible and income in determining taxable profit or loss	(306,497)	222,182
Other deductible items	831,064	916,130
Effect of current year tax losses not recognised as deferred tax assets	1,130,933	251,671
Income tax expense in consolidated statement of comprehensive income	-	-

The tax rate used for the 2018 year of 27.5% (2017: 27.5%) is the corporate tax rate of payable by small business entities on taxable profits under Australian law.

6.2. TAX LOSSES

Deferred tax assets on the unused revenue tax losses of $9,510,667 (2017: $5,510,982) have not been recognised as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities, including the application of the available fraction rules. The benefit of deferred tax assets not brought to account will only be brought to account if:

(a) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised.
(b) The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit.

6.3. DEFERRED TAX ASSETS

	2018 $	2017 $
Deferred tax assets recognised directly in equity	95,113	60,442
Revenue income tax losses not brought to account at 27.5% (2017: 27.5%)	2,615,433	1,515,520
Other temporary differences	232,558	(588,044)
Unrecognised deferred tax assets relating to the above temporary differences	2,943,105	987,918

6.4. TAX CONSOLIDATION

The Company and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2016. The accounting policy in relation to this legislation is set out in Note 2.4.1.

7. CURRENT TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Trade debtors	1,900	386,847
Provision for impairment	(1,900)	(386,847)
Sundry debtors and prepayments	151,213	118,060
	151,213	118,060

Trade receivable are non-interest bearing and generally on terms of 14-60 days.

7.1. TRADE RECEIVABLES PAST DUE BUT NOT IMPAIRED

There were no other trade receivables past due but not impaired (2017: $NIL).

7.2. FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

8. PROPERTY, PLANT AND EQUIPMENT

	2018 $	2017 $
Plant and equipment at cost	379,838	347,120
Accumulated depreciation and impairment	(377,184)	(343,844)
	2,654	3,276
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(78,387)	(76,608)
	7,585	9,364
Office equipment at cost	64,596	64,596
Accumulated depreciation	(64,596)	(64,596)
	-	-
Office furniture at cost	22,223	22,016
Accumulated depreciation	(18,707)	(18,423)
	3,516	3,593
Computer equipment at cost	96,336	83,456
Accumulated depreciation	(53,707)	(29,154)
	42,629	54,302
Carrying amount	56,384	70,535

8.1. MOVEMENT IN CARRYING AMOUNTS:

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Office Furniture $	Computer Equipment $	Total $
Carrying amount at 30 June 2016	4,045	11,561	6,028	2,963	57,740	82,337
Acquisitions/(Disposals)	-	-	(6,028)	1,021	19,746	14,738
Depreciation expense	(769)	(2,197)	-	(391)	(23,183)	(26,540)
Carrying amount at 30 June 2017	3,276	9,364	-	3,593	54,302	70,535
Acquisitions	-	-	-	207	12,879	13,087
Depreciation expense	(622)	(1,779)	-	(284)	(24,553)	(27,238)
Carrying amount at 30 June 2018	2,654	7,585	-	3,516	42,629	56,384

9. INTANGIBLE ASSETS

	2018 $	2017 $
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-
Goodwill at cost	49,998	49,998
Amount written off – goodwill	(49,998)	(49,998)
	-	-
Assets acquired on acquisition of NexGen Networks Limited	6,086,956	6,086,956
Assets acquired as part of B Class shareholders interest(i)	3,116,929	3,116,929
Amount written off – asset acquisition	(9,203,885)	(9,203,885)
	-	-

(i) *The acquisition of NexGen Networks Limited has been accounted for as an asset acquisition and recognised at fair value on acquisition. The transaction was completed during the year ended 30 June 2017 when the B Class shareholders of NexGen Networks Limited exercised the Put Option to transfer 100% of their interest to the Company in consideration for shares as detailed at Note 12.1. The Directors assess the fair value of NexGen Networks Limited to be nil and hence have recognised a $3,116,929 impairment loss during the year ended 30 June 2017.*

10. CAPITALISED DEVELOPMENT COSTS

	2018 $	2017 $
Software development costs capitalised at 30 June	3,247,226	2,459,880
Accumulated impairment of software development costs	(3,247,226)	(317,670)
Intellectual property cost capitalised at 30 June	51,456	51,456
Accumulated impairment of Intellectual property costs	(51,456)	-
	-	2,193,666

In relation to the current organisational structure of Wangle Technologies Limited and its consolidated entities, funding requirements at subsidiary level are supported through intercompany loans from the parent company. Funds transferred to the Australian based subsidiary company (Wangle Operations Pty Ltd) are in accordance with the operation budget of the Group.

The operation budget has been prepared in consultation with the board of directors and key management personal. Funds are sent through a cash call process which complements the operation budget. Expenditure incurred at subsidiary level is primarily development costs associated with the Wangle App and as a result expenditure is capitalised.

During the period, $2,981,012 was recognised as a provision for impairment on the intellectual property and capitalised development costs. This was based on a conservative review of the recoverable value of the relevant assets using a value-in-use model. Based on a 5-year present value net cash flow, the asset was deemed to have a carrying value of approximately nil as at 30 June 2018. Therefore, a full impairment has been recognised.

11. TRADE AND OTHER PAYABLES

	2018 $	2017 $
Current		
Unsecured trade creditors	397,384	78,389
Sundry creditors and accruals	435,387	192,322
	832,771	270,711

Trade and other payables are non-interest bearing. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

12. ISSUED CAPITAL

	2018 $	2017 $
1,352,237,366 fully paid ordinary shares (2017: 925,444,168)	28,375,771	25,765,103

12.1. FULLY PAID ORDINARY SHARES

	2018		2017	
	No.	$	No.	$
Balance at beginning of year	925,444,168	25,765,103	717,744,168	21,102,320
Conversion of options	-	-	19,000,000	475,000
Placement to employees	-	-	1,400,000	35,000
Conversion of Class A + B Performance Shares	-	-	62,200,000	1,149,456
Acquisition - B Class shares	-	-	125,100,000	3,003,327
Shares issued	426,793,198	2,745,380	-	-
Share issue costs	-	(134,712)	-	-
Balance at end of year	1,352,237,366	28,375,771	925,444,168	25,765,103

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held. Ordinary shares have no par value.

12.2. SHARE OPTIONS ON ISSUE

Share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2018, the Company had:

- 138,034,867 unlisted share options on issue (2017: 43,034,867) exercisable on a 1:1 basis for 138,034,867 shares (2017: 43,034,867) at an exercise price of $0.025 cents on a post-consolidation basis. The options expired on 31 August 2018;
- 5,000,000 unlisted share options on issue (2017: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2017: 5,000,000) at an exercise price of $0.075 cents on a post-consolidation basis. The options expired on 31 August 2018;
- 26,000,000 unlisted share options on issue (2017: 5,000,000) exercisable on a 1:1 basis for 26,000,000 shares (2017: 5,000,000) at an exercise price of $0.10 cents on a post-consolidation basis. The options expired on 31 August 2018; and
- 251,793,198 unlisted share options on issue (2017: Nil) exercisable on a 1:1 basis for 251,793,198 shares (2017: Nil) at an exercise price of $0.01 cents on a post-consolidation basis. The options expire on 30 June 2021.

13. RESERVES

	2018 $	2017 $
Option reserve balance at beginning of year	728,330	720,187
Options issued during the year (Note 15.2)	18,418	8,143
Options lapsed during current period	(8,143)	-
Options lapsed during previous period	(663,097)	-
Option reserve balance at end of the financial year	75,508	728,330

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

Performance share reserve balance at beginning of year	437,047	1,583,941
Performance share converted during the year	(2,562)	(1,149,456)
Performance share reserve balance at end of the financial year	434,485	434,485

The reserve arises on the on the grant of performance shares to A Class Share vendors, consultants and advisors. As at 30 June 2018 none of the Company's performance shares had been issued. Amounts will be transferred out of reserve and into accumulated losses when performance shares expire or lapse.

Foreign currency translation reserve	22,572	12,732

14. SHARE OPTIONS

Each option issued converts into one ordinary share of Wangle Technologies Limited on exercise. Options carry neither rights to dividends, nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

14.1. MOVEMENTS IN SHARE OPTIONS DURING THE YEAR

The following reconciles the share options outstanding at the beginning and end of the year:

	2018		2017	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	60,034,867	0.047	77,034,867	0.041
Granted during the year	367,793,198	0.019	2,000,000	0.05
Exercised during the year	-	-	(19,000,000)	0.025
Expired during the year	(7,000,000)	0.093	-	-
Balance at end of the year	420,828,065	0.021	60,034,867	0.047
Exercisable at end of the year	420,828,065	0.021	60,034,867	0.047

14.2. SHARE OPTIONS EXERCISED DURING THE YEAR

During the year no options were converted into shares (2017: 19,000,000).

14.3. SHARE OPTIONS OUTSTANDING AT THE END OF THE YEAR

The share options of 420,828,065 outstanding at the end of the year had a weighted average exercise price of $0.021 (2017: $0.047) and a weighted average remaining contractual life of 320 (2017: 426 days).

15. SHARE-BASED PAYMENTS

Share-based payments made during the year ended 30 June 2018 are summarised below.

15.1. RECOGNISED SHARE-BASED PAYMENT EXPENSE

	2018 $	2017 $
Unlisted options issued to directors as per service agreements	3,100	-
Shares issued as incentive shares[i]	30,000	35,000
Unlisted options issued to consultants as incentive options	-	8,143
	33,100	43,143

(i) *The Company issued 5,000,000 fully paid ordinary shares to Dr Neale Fong as per the terms of his consultancy agreement.*

15.2. OPTIONS GRANTED DURING THE YEAR

The Company granted the following options during the year ended 30 June 2018:

Number of Options Issued	Issue Date	Expiry Date	Exercise Price	Total Value[i]	Recipient
21,000,000	8 Dec 2017	31 Aug 2018[ii]	$0.10	$3,100	Directors
10,000,000[iii]	11 Dec 2017	31 Aug 2018[ii]	$0.025	$15,318	Consultant
50,000,000	11 Dec 2017	31 Aug 2018[ii]	$0.025	Nil	Shareholders
35,000,000	10 May 2018	31 Aug 2018[ii]	$0.025	Negligible	Consultant
251,793,198	22 Jun 2018	30 Jun 2021	$0.01	Nil	Shareholders

(i) *As the options issued are unlisted, the Company determined the most appropriate value using the Black Scholes Model applying the following inputs: share price at grant date of $0.015 and $0.012 for the 21,000,000 options and 10,000,000 options respectively; expected volatility of 100%, expected dividends of nil; and a risk-free rate of 2.25%.*

(ii) *These unlisted options expired, unexercised on 31 August 2018.*

(iii) *Broker Options issued in accordance with the terms of the Lead Manager Mandate.*

Number of Options	Underlying share price (VWAP)	Exercise price	Expected volatility	Expiry date (years)	Expected dividends	Risk free rate	Probability of share issue	Value per option
21,000,000	$0.011	$0.10	100%	0.17[i]	Nil	2.25%	Nil	Negligible
10,000,000	$0.011	$0.025	100%	0.17[i]	Nil	2.25%	Nil	Negligible
50,000,000	$0.011	$0.025	100%	0.17[i]	Nil	2.25%	Nil	Negligible
35,000,000	$0.011	$0.025	100%	0.17[i]	Nil	2.25%	Nil	Negligible
251,793,198	$0.011	$0.01	100%	3.00	Nil	2.25%	Nil	Negligible

(i) *These unlisted options expired, unexercised on 31 August 2018.*

16. FINANCIAL INSTRUMENTS

16.1. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

The Group is not subject to any externally imposed capital requirements.

16.2. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of directors provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include interest rate risk, liquidity risk and credit risk.

The Group seeks to minimise the effects of these risks by making use of credit risk policies and future cash requirements. These are approved by the Board of directors and are reviewed on a regular basis.

The totals for each category of financial instruments, measured in accordance with *AASB 139: Financial Instrument Recognition and Measurement*, as detailed in the accounting policies to these financial statements below.

16.3. INTEREST RATE RISK

The Group is exposed to interest rate risk as the Group deposits the bulk of the Group's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Group by maintaining an appropriate mix between short term deposits and at call deposits. The Group's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

16.3.1. Interest rate sensitivity analysis

An increase of 50 basis points in interest rates (all other variables remaining constant) would have decreased the Group's loss by $1,441 (2017: $4,614). Where interest rates decreased, there would be an equal and opposite impact on the loss.

16.3.2. Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 2.

At risk amounts are as follows:

Financial assets

	2018 $	2017 $
Cash and cash equivalents	288,197	922,745
Trade and other receivables	151,213	118,060
	439,410	1,040,805

Financial liabilities

	2018 $	2017 $
Trade and other payables	832,771	270,711
	832,771	270,711

16.4. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, identifying when further capital raising initiatives are required as disclosed in Note 2.1.2. The Group presently has no significant source of operating income; it is reliant on equity contributions and cooperation of creditors and lenders to continue as a going concern.

	Contractual cash flows				
	Carrying amount $	<6 months $	>6-12 months $	>12 months $	Total contractual cash flows $
2018					
Financial assets					
Cash and cash equivalents	288,197	288,197	-	-	288,197
Trade and other receivables	151,213	-	151,213	-	151,213
	439,410	288,197	151,213	-	439,410
Financial liabilities					
Trade and other payables	832,771	832,771	-	-	832,771
Other financial liabilities	-	-	-	-	-
	832,771	832,771	-	-	832,771
Net Exposure	(393,361)	(544,574)	151,213	-	(393,361)
2017					
Financial assets					
Cash and cash equivalents	922,745	922,745	-	-	922,745
Trade and other receivables	118,060	118,060	-	-	118,060
	1,040,805	1,040,805	-	-	1,040,805
Financial liabilities					
Trade and other payables	270,711	270,711	-	-	270,711
Other financial liabilities	-	-	-	-	-
	270,711	270,711	-	-	270,711
Net Exposure	770,094	770,094	-	-	770,094

16.5. CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. In respect of financing activities, the Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's bank has an "AA-" long term issuer rating by Standards & Poors (S&P).

The total group exposure to credit risk is as follows:

	2018 $	2017 $
Cash and cash equivalents	288,197	922,745
Trade and other receivables	151,213	118,060
	439,410	1,040,805

16.5.1. Impairment losses

In the prior year, the Board decided that the intangible asset acquired as part of the NexGen Networks Limited acquisition would not derive future economic benefits for the Group and thus recorded an impairment of $9,203,885 in recognition of this. Refer to Note 9 for an analysis of the impaired loss. No reversal of impairment has occurred during the year.

17. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2.2.2. Details of subsidiary companies are as follows:

Entity	Incorporation	2018 Ownership	2017 Ownership
Premium Pipe Services Pty Ltd	Australia	100%	100%
NexGen Networks Limited	New Zealand	100%	100%
VTX Holdings (Singapore) Pte. Ltd	Singapore	-	100%
Wangle Operations Pty Ltd	Australia	100%	100%

17.1. DISPOSAL OF SUBSIDIARIES

During the year ended 30 June 2018, the parent disposed of its 100% interests in VTX Holdings (Singapore) Pte. Ltd (**VTX**). The total loss recognised in respect of the disposal of VTX amounted to $25,650 and was recognised in profit and loss as loss on disposal of assets. No remaining interest in the entities were held by any member of the consolidated entity subsequent to disposal of the parent's 100% interest. Accordingly, no portion of the loss recorded on the disposal of the interest is attributable to measuring any investment retained in the former subsidiaries when control was lost.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

18.1. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Group is set out below:

	2018 $	2017 $
Short-term employee benefits	465,900	690,840
Post-employment benefits	-	4,333
Other benefits	3,253	44,953
Share-based payments	3,100	-
	472,253	740,126

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration Report on pages 5 to 11.

19. RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling party of the Group is Wangle Technologies Limited. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

19.1. LOANS TO KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

There have been no loans to key management personnel during the year.

19.2. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel compensation

Details of the compensation of the key management personnel is set out below:

Directors	Short-term Employee Benefits				Share-based Payments	Post-employment	Total
	Salary & Fees $	Super-annuation $	Reimburse-ments $	Other Benefits $	$	Prescribed Benefits $	$
2018							
Jonathon Wild(i)(xiii)	96,000	-		-	738	-	96,738
Sean Smith(ii)	220,000	20,900	-	-	1,476	-	242,376
James Robinson(iii)(xiv)	84,000	-	3,253	-	443	-	87,696
Donna Cross(iv)(xv)	45,000	-	-	-	443	-	45,443
	445,000	20,900	3,253	-	3,100	-	472,253
2017							
Jonathon Wild(i)(xiii)	32,000	-	246	6,000	-	-	38,246
Sean Smith(ii)	95,681	9,090	6,839	15,000	-	-	126,610
James Robinson(iii)(xiv)	36,581	-	1, 33	7,000	-	-	45,314
Donna Cross(iv)(xv)	12,500	-	-	-	-	-	12,500
Andrew Haythorpe(v)	40,000	-	-	-	-	-	40,000
Cam Worth(v)(vi)	197,435	18,553	1,969	-	-	-	217,957
Keaton Wallace(vii)(xvi)	180,000	-	5,389	-	-	-	185,389
Jason Gitmans(vii)(xvii)	69,000	-	777	-	-	4,333	74,110
	663,197	27,643	16,953	28,000	-	4,333	740,126

Key management personnel compensation (continued)

- *(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.*
- *(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.*
- *(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.*
- *(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.*
- *(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.*
- *(vi) Mr Worth was not entitled to Directors Remuneration during the financial year. His salary of $197,434 was received in consideration for his role as Chief Technology Officer, a position he held for the whole year.*
- *(vii) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.*
- *(viii) Mr Worth was appointed on 16 June 2016 and was not entitled to Directors Remuneration during the financial year. His salary of $48,103 was received in consideration for his appointment as Chief Technology Officer on 22 March 2016.*
- *(ix) Mr Wallace and Mr Gitmans were appointed on 19 February 2016.*
- *(x) Payment of $50,000 to Mr Gitmans upon completion of the acquisition of NexGen Networks Limited on 26 February 2016 as consideration for accepting the role of Managing Director with the Company.*
- *(xi) Mr Gitmans received a living allowance of $500 per week whilst he resides in Australia.*
- *(xii) Mr Robinson received an additional one-off discretionary bonus in February 2016 for additional services provided in the fiscal year ending 30 June 2016, in relation to the acquisition of NexGen Networks Limited.*
- *(xiii) Director fees for Jonathon Wild were paid to Wild Consulting, a related entity.*
- *(xiv) Director fees for James Robinson were paid to Sabreline Pty Ltd, a related entity.*
- *(xv) Director fees for Donna Cross were paid to Sante Holdings Pty Ltd, a related entity.*
- *(xvi) Consultancy fees for Keaton Wallace were paid to Cardup Syndicate Holdings Pty Ltd, a related entity.*
- *(xvii) Director fees for Jason Gitmans were paid to Stitch Ministry, a related entity.*

Key management personnel related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with key management personnel related parties are set out below.

The Company entered into a mandate with Cicero Corporate Services Pty Ltd (**CCS**), a company related to Messrs Robinson and Walker for corporate administration services including financial reporting, company secretarial services, rent and administrative operations. CCS provided services to the amount of $122,882 (2017: $108,514). As at 30 June 2018, $22,182 amount payable (2017: nil) remains outstanding. The Company entered into a mandate with Cicero Advisory Services Pty Ltd (**CAS**), a company related to Messrs Robinson and Walker for corporate advisory services. CAS provided services to the amount of $44,600 (2017: nil). As at 30 June 2018, $20,000 amount payable (2017: nil) remains outstanding.

Key management personnel equity holdings

(i) Fully paid ordinary shares of Wangle Technologies Limited:

Details of ordinary shares holding held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2018 and 30 June 2017 are set out below:

Directors	Balance at 1 July No.	Granted as remuneration No.	Acquired No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild(i)	1,000,000	-	1,000,000	-	-	2,000,000
Sean Smith(ii)	1,000,000	-	2,500,000	-	-	3,500,000
James Robinson(iii)	1,000,000	-	1,000,000	-	-	2,000,000
Donna Cross(iv)	-	-	-	-	-	-
2017						
Jonathon Wild(i)	-	-	1,000,000	-	-	1,000,000
Sean Smith(ii)	-	-	1,000,000	-	-	1,000,000
James Robinson(iii)	-	-	1,000,000	-	-	1,000,000
Donna Cross(iv)	-	-	-	-	-	-
Andrew Haythorpe(v)	21,800,000	-	-	-	21,800,000	-
Cam Worth(v)	23,625,000	-		16,750,000(vii)	-	40,375,000
Keaton Wallace(vi)	54,910,844	-	22,193,049	15,500,000(vii)	-	92,603,893
Jason Gitmans(vi)	-	-	-	-	-	-

Key management personnel equity holdings (continued)

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Conversion of Class A and Class B Performance Shares.

(ii) Share options of Wangle Technologies Limited:

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2018 and 30 June 2017 are set out below:

Directors	Balance at 1 July No.	Granted as remuneration No.	Options Exercised No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild(i)	-	5,000,000	-	1,000,000	-	6,000,000
Sean Smith(ii)	-	10,000,000	-	1,750,000	-	11,750,000
James Robinson(iii)	5,000,000	3,000,000	-	1,000,000	-	9,000,000
Donna Cross(iv)	-	3,000,000	-	-	3,000,000	-
2017						
Jonathon Wild(i)	-	-	-	-	-	-
Sean Smith(ii)	-	-	-	-	-	-
James Robinson(iii)	-	-	-	5,000,000(vii)	-	5,000,000
Donna Cross(iv)	-	-	-	-	-	-
Andrew Haythorpe(v)	10,000,000	-	-	-	10,000,000	-
Cam Worth(v)	-	-	-	-	-	-
Keaton Wallace(vi)	7,442,433	-	-	-	-	7,442,433
Jason Gitmans(vi)	-	-	-	-	-	-

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson was appointed as a Non-Executive Director on 25 January 2017 and resigned on 9 July 2018.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017 and resigned on 29 March 2018.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Options held at date of appointment.

(iii) Performance shares of Wangle Technologies Limited:

Details of performance shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial years ended 30 June 2018 and 30 June 2017 are set out below:

Directors	Balance at 1 July No.	Acquired No.	Conversion No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2018						
Jonathon Wild(i)	-	-	-	-	-	-
Sean Smith(ii)	-	-	-	-	-	-
James Robinson(iii)	-	-	-	-	-	-
Donna Cross(iv)	-	-	-	-	-	-
2017						
Jonathon Wild(i)	-	-	-	-	-	-
Sean Smith(ii)	-	-	-	-	-	-
James Robinson (iii)	-	-	-	-	-	-
Donna Cross(iv)	-	-	-	-	-	-
Andrew Haythorpe(v)	-	-	-	-	-	-
Cam Worth(v)	30,125,000	-	(16,750,000)(vii)	-	-	13,375,000
Keaton Wallace(vi)	23,250,000	-	(15,500,000)(vii)	2,250,000	-	10,000,000
Jason Gitmans(vi)	-	-	-	-	-	-

(iii) Performance shares of Wangle Technologies Limited (continued):

(i) Mr Wild was appointed as Non-Executive Chairman on 21 February 2017.
(ii) Mr Smith was appointed as Managing Director & Chief Executive Officer on 25 January 2017.
(iii) Mr Robinson resigned on 19 February 2016 and was reappointed as a Non-Executuve Director on 25 January 2017.
(iv) Prof. Cross was appointed as a Non-Executive Director on 12 April 2017.
(v) Mr Haythorpe resigned as Non-Executive Chairman and Mr Worth resigned as Non-Executive Director on 21 February 2017.
(vi) Mr Wallace resigned as Non-Executive Director and Mr Gitmans resigned as Managing Director on 25 January 2017.
(vii) Conversion to fully paid ordinary shares.

20. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2018 $	2017 $
Cash and cash equivalents	288,197	922,745

20.1. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) for the year	(6,004,172)	(5,073,278)
Non-cash items		
Depreciation	27,238	26,540
Impairment of intangible assets	2,981,012	3,434,599
Share-based payments	18,418	43,143
	(2,977,504)	(1,568,996)
Movements in working capital		
(Increase) in prepayments	(12,567)	(204)
(Increase)/decrease in trade and other receivables	(20,586)	82,574
Increase/(decrease) in trade and other payables	556,034	(8,880)
Net cash used in operating activities	(2,454,623)	(1,495,506)

20.2. NON-CASH TRANSACTIONS

The Group did not enter into any non-cash financing activities (2017: Nil) as reflected in the consolidated statement of cash flows.

21. COMMITMENTS & CONTINGENT LIABILITIES

21.1. COMMITMENTS

	Executive Fees	Corporate Fees	Office Lease
Agreement Start date	25/01/2017	1/01/2018	10/08/2018
Expiry date	25/01/2020	1/01/2019	10/08/2020
Monthly amount	20,000	10,000	6,254
Terms of agreement	90 days'	90 days'	152 days'
Within 12 months to June 2017	60,000	30,000	31,271
Within 2 <5 years	-	-	-
Total	60,000	30,000	31,271

21.2. CONTINGENT LIABILITIES

There are no contingent liabilities for the Group at 30 June 2018 (30 June 2017: Nil).

22. DISCONTINUED OPERATIONS

On 9 January 2018 the Company confirmed that it had deregistered is wholly owned subsidiary in Singapore, VTX Holdings Pte. Ltd due to inactivity.

22.1. RESULTS OF DISCONTINUED OPERATIONS

	2018 $	2017 $
Revenue	-	-
Income	5,336	-
Expenses	-	(13,078)
Profit/(loss) before income tax	5,336	(13,078)
Income tax (benefit)/expense	-	-
Profit/(loss) after tax from discontinued operations	5,336	(13,078)
Assets and liabilities of discontinued operations		
Liabilities		
Inter-Company Loans	-	30,986
Total Non-Current Liabilities	-	30,986
Total Liabilities	-	30,986
Net Assets	-	(30,986)
Cash flows of discontinued operations		
Net cash from/(used in) operating activities	5,336	(13,078)
Net cash from investing activities	-	-
Net cash from/(used in) financing activities	-	-
Net cash flows for the year	5,336	(13,078)

23. REMUNERATION OF AUDITORS

The auditor of Wangle Technologies Limited and its subsidiary is Pitcher Partners BA & A Pty Ltd.

	2018 $	2017 $
Audit and review of the financial statements	38,576	38,512
	38,576	38,512

24. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development of the Wangle Application. The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

25. EVENTS AFTER THE REPORTING PERIOD

On 4 July 2018 the Company announced it had entered into an agreement with parental school app platform provider SkoolBag. The announcement detailed Wangle's provision of bespoke education content and affiliate links to the WFI app available to over a million parents via a content integration the SkoolBag platform.

The placement of the remaining shortfall securities (**Shortfall**) from the 11 March 2018 Entitlement Offer was managed by the broker and lead manager of the Entitlement Issue, CPS Capital Group Pty Ltd (**CPS**). The Company announced the closure of the Shortfall on 26 July 2018 with the successful placement of all 848,650,970 shares to raise gross proceeds of $2,545,953.

On 9 July the Company announced the appointment of Mr Mathew Walker to the Board as Corporate Director to focus on shareholder engagement, capital raising and business development. Non-executive Director Mr James Robinson announced his resignation from the Board.

The following unlisted options expired, unexercised on 31 August 2018:

- 138,034,867 options exercisable at $0.025;
- 5,000,000 options exercisable at $0.05; and
- 26,000,000 options exercisable at $0.10.

On 17 September 2018, the Company announced it had lodged its 2017/2018 claim for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (**R&D Scheme**).

The Company's tax adviser Maxim Private Advisory Pty Ltd assisted Wangle in identifying circa $2.8 Million in eligible expenditure within the 2017/2018 Financial Year. Under the R&D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, with circa $1.2 Million to be paid back the Company as cash. These refunds are expected to be received within the December quarter.

26. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2018 $	2017 $
Assets		
Current assets		
Cash and cash equivalents	121,613	822,154
Trade and other receivables	48,890	13,511
Other current assets	19,919	3,255,455
Total current assets	190,422	4,091,120
Non-current assets		
Development costs	-	952,035
Intellectual property	-	32,440
Total non-current assets	-	984,475
Total assets	**190,422**	**5,075,595**
Liabilities		
Current liabilities		
Trade and other payables	248,983	68,142
Provisions	6,826	-
Total current liabilities	255,809	68,142
Total liabilities	**255,809**	**68,142**
Net assets	**(65,387)**	**5,007,453**
Equity		
Issued capital	28,497,145	25,886,477
Reserves	623,596	1,276,418
Accumulated losses	(29,186,129)	(22,155,442)
Total equity	**(65,387)**	**5,007,453**
Statement of comprehensive income		
Total loss and comprehensive expense	**(7,701,927)**	**(3,483,605)**

26.1. THE PARENT ENTITY HAS THE FOLLOWING COMMITMENTS:

	Executive Fees	Corporate Fees
Agreement Start date	25/01/2017	1/01/2018
Expiry date	25/01/2020	1/01/2019
Monthly amount	20,000	10,000
Agreement notice period	90 days'	180 days'
Within 12 months to June 2017	180,000	90,000
Within 2 <5 years	480,000	-
Total	660,000	90,000

27. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of directors and authorised for issue on 28 September 2018.

ADDITIONAL SHAREHOLDERS' INFORMATION

Wangle Technologies Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are 1,352,237,366 Ordinary fully paid shares in the Company.

	Number of shares
Balance at the beginning of the year	925,444,168
Movements of share options during the year and to the date of this report	1,152,444,168
Total number of shares at the date of this report	2,077,888,336

SHARES UNDER OPTION

At the date of this report there are 977,444,168 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	60,034,867
Movements of share options during the year and to the date of this report	917,409,301
Total number of options outstanding at the date of this report	977,444,168

The balance is comprised of the following:

Number of options	Expiry date	Exercise price (cents)	Listed/Unlisted
977,444,168	30 June 2021	$0.01	Unlisted

No person entitled to exercise any option referred to above has had, by virtue of the option, a right to participate in any share issue of any other body corporate.

RANGE OF SHARES AS AT 26 SEPTEMBER 2018

Range	Total Holders	Units	% Issued Capital
1 - 1,000	266	127,084	0.01%
1,001 - 5,000	162	408,516	0.02%
5,001 - 10,000	77	652,202	0.03%
10,001 - 100,000	745	36,324,386	1.75%
100,001 - > 100,001	1,016	2,040,376,148	98.19%
Total	**2,266**	**2,077,888,336**	**100.00%**

UNMARKETABLE PARCELS AS AT 26 SEPTEMBER 2018

	Minimum parcel size	Holders	Units
$500.00 parcel at $0.003 per unit	250,000	1,402	56,853,279

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 26 SEPTEMBER 2018

#	HOLDER NAME	Units	%
1	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	100,630,599	4.84%
2	CARDUP SYNDICATE HOLDINGS PTY LTD <THE CARDUP SYNDICATE A/C>	84,950,000	4.09%
3	JASON PAUL GITMANS	84,600,000	4.07%
4	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	80,000,000	3.85%
5	FIRST GROWTH FUNDS LIMITED	66,666,667	3.21%
6	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	60,000,000	2.89%
7	GREAT SOUTHERN FLOUR MILLS PTY LTD	50,000,000	2.41%
8	STARTRADE PTY LTD <STAR INVESTMENT A/C>	37,259,028	1.79%
9	MS LORAINE VON DER WEID-DE WECK	33,000,000	1.59%
10	ALIKABAY PTY LTD	33,000,000	1.59%
11	MR JOHN WALTERS & MS BERNADETTE PARKER	29,796,013	1.43%
12	SCINTILLA STRATEGIC INVESTMENTS LIMITED	25,000,000	1.20%
13	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	23,500,000	1.13%
14	MR GREGORY PETER WILSON	23,000,000	1.11%
15	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY <SUPER FUND A/C>	20,000,000	0.96%
16	MR ROBERT ANTHONY MARTIN <MARTIN FAMILY A/C>	20,000,000	0.96%
17	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	20,000,000	0.96%
18	TYCHE INVESTMENTS PTY LTD	20,000,000	0.96%
19	KHAZA NOMINEES PTY LTD	20,000,000	0.96%
20	NETSHARE NOMINEES PTY LTD	19,250,000	0.93%
Total of Top 20 Holders of ORDINARY SHARES		**850,652,307**	**40.94%**

TOP 20 HOLDERS OF UNQUOTED OPTIONS AS AT 26 SEPTEMBER 2018

#	HOLDER NAME	Units	%
1	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	128,033,333	13.10%
2	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	83,333,333	8.53%
3	FIRST GROWTH FUND LIMITED	66,666,667	6.82%
4	MR JOHN WALTERS & MS BERNADETTE PARKER	52,000,000	5.32%
5	MRS ELIZABETH JANE QUADE	29,333,333	3.00%
6	MR STEPHEN GEORGE LEARY & MRS PENELOPE JOAN LEARY	27,666,667	2.83%
7	SCINTILLA STRATEGIC INVESTMENTS LIMITED	25,000,000	2.56%
8	SABRELINE PTY LTD <JPR INVESTMENT A/C>	24,333,333	2.49%
9	MR ROBERT ANTHONY MARTIN <MARTIN FAMILY A/C>	22,000,000	2.25%
10	KHAZA NOMINEES PTY LTD	20,000,000	2.05%
11	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	20,000,000	2.05%
12	TYCHE INVESTMENTS PTY LTD	20,000,000	2.05%
13	STARTRADE PTY LTD <STAR INVESTMENT A/C>	18,629,514	1.91%
14	G & J SUPER FUND PTY LTD <G & J SUPER FUND A/C>	16,666,667	1.71%
15	P&E QUADE PTY LTD <QUADE SUPER FUND A/C>	16,666,667	1.71%
16	RUBYCHLO PTY LTD	13,333,333	1.36%
17	1215 CAPITAL PTY LTD	13,250,000	1.36%
18	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	12,000,000	1.23%
19	INDOMAIN ENTERPRISES PTY LTD <U C MONDELLO FAMILY A/C>	11,666,667	1.19%
20	DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>	11,571,428	1.18%
Total of Top 20 Holders of UNQUOTED OPTION HOLDERS		**632,150,942**	**64.67%**