KABUNI LIMITED

ABN 28 158 307 549

AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
30 JUNE 2017

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Directors

Mr. Stuart Carmichael – Non-Executive Chairman (Appointed 30th June 2017)

Mr. Nathan Sellyn - Non-Executive Director

Mr. Colm O'Brien - Non-Executive Director (Appointed 18th July 2016)

Mr. Ajai Sehgal - Non-Executive Director (Appointed 1st August 2016)

Company Secretary

Mr. Brett Tucker (Appointed 5th Jan 2017)

Registered Office

Ground Floor, 16 Ord Street,
West Perth, Western Australia,
6005 Australia

Share Registry

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153

Auditors

Stantons International Audit & Consulting Pty Ltd
Level 2, 1 Walker Avenue
West Perth WA 6005

Solicitors

Jackson McDonald Solicitors
Level 17, 225 St. Georges Terrace,
Perth, WA 6000
Australia

Stock Exchange

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: **KBU**

Website

investor.kabuni.com

The Directors present their report for Kabuni Limited ("Kabuni" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2017.

CORPORATE INFORMATION

The Company is a company limited by shares, which was incorporated under the Australian Corporations Act 2001 (the "Corporations Act") on 11 May 2012, as "Magnolia Resources Limited". On 25 August 2015, the Company changed its name to "Whole New Home Ltd." and on 13 November 2015, the Company changed its name to "Kabuni Ltd." The Company was listed on the Australian Securities Exchange ("ASX") on 30 October 2012, and its ordinary shares ("Shares") trade on the ASX under the symbol KBU. The Company's registered office is at Ground Floor, 16 Ord Street, West Perth, Western Australia 6005, Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

Kabuni is an online membership platform within the Interior Design industry. Its platform Design Campus enables members to subscribe to design courses that feature relevant training content, including courses accredited by both the Interior Design Continuing Education Counsel (IDCEC) and the Architects Institute of America (AIA).

During the year the Company initiated a review of its current operations and its strategy execution due to significant ongoing operating losses. Further to this review, on 8 March 2017 the Company announced that it had signed a non-binding letter of intent ("LOI") with Print the Future, Inc. ("PTF") regarding the potential acquisition by PTF of all of the shares in the Company's operating subsidiaries; Kabuni Technologies, Inc. ("KTI") ("the Sale"), Kabuni Technologies (India) Private Limited ("KT India") and Kabuni USA, Inc. ("Kabuni USA"). PTF is a company incorporated in Delaware, USA and is associated with Kabuni's founder and former Director, Mr Neil Patel.

To provide PTF with resources to continue development of the Kabuni SaaS platform until completion of the Sale, Kabuni and KTI entered into a Temporary Service Agreement dated 3 April 2017 ("TSA") but effective from 6 March 2017, whereby KTI will provide software development, marketing and certain other services to PTF. The monthly service fee payable was equal to the operating expenses of KTI and KB India. As at 30 June 2017, the amount owed under the TSA by PTF was $843,900.22.

On 4 May 2017 the Company announced that it had entered into a binding Share Purchase Agreement ("SPA") with PTF.

On 21 June 2017 the Company announced that it had revised terms under the SPA with PTF, agreed within an Amended Share Purchase Agreement ("Amended SPA"). Under the Amended SPA, Kabuni USA now is to be excluded from the sale to PTF, which owns the Design Campus business. Design Campus is an online education platform tailored specifically for the interior design industry which is currently deriving revenue from its subscription base and has a strong following on social media. The remaining sale subsidiaries are Kabuni Technologies, Inc. and Kabuni Technologies (India) Private Limited ("KT India") ("the Sale Corporations").

The SPA was further amended on 30 June 2017, with final terms summarised as:

- PTF agrees to acquire from the Kabuni all of the issued and outstanding shares of capital stock of the Sale Corporations (the "Shares"), for a purchase price of Australian Dollars ("AUD") $4,500,000 (the "Purchase Price");

- In part payment of the Purchase Price, PTF will deliver to the Company a convertible promissory note, in a principal amount that shall equal the total amounts outstanding under the Temporary Services Agreement dated as of 3 April 2017 between PTF and KTI (the "TSA"), including accrued interest, as at 30 June 2017 (the "TSA Note"). The TSA Note will not accrue interest before default. After default, it will bear interest of 22% per annum (as per existing note terms).

- The TSA Note will be repayable as follows: (a) $150,000 on 15 July 2017 (b) $175,000 on 15 August 2017, and (c) the balance and all accrued and unpaid interest on 15 September 2017. 100% of any capital raised by PTF must be applied to the fixed repayments on the dates set forth above. In addition, 50% of any capital raised by PTF in excess of $750,000 must be applied to the repayment of the TSA Note within 3 business days of being received. The note will be convertible and secured on the same terms as the Purchase Note (see item 3, below).

Under the Note, PTF has the right to elect to partially repay the Note through the forgiveness of all or part of a loan due to a company by PBT. PTF, PBT and the Company entered into an agreement effective 15 August 2017, pursuant to which PBT has forgiven an amount of CAD$26,211.99, being the outstanding balance of the loan due to PBT, and the loan has been terminated and fully released. As a result, each of the Company and PTF have agreed that an amount of AUD$26,196.27 is deemed repaid in respect of the Note, with effect as of August 15, 2017.

A balance of AUD$148,803.73 remained due and payable as the first Note repayment on 15 August 2017. PTF failed to pay such amount and accordingly the Company provided PTF with formal notice than an event of default has occurred under the Note, confirming that the Company has not waived the default and expressly reserving all of the Company's rights, powers, privileges and remedies under the Note, applicable law or otherwise.

On 15 September 2017, the remaining balance of the Note became due and payable by PTF, being an amount of A$518,900.22. PTF has failed to pay such amount when due. Accordingly, the Company has provided PTF with a further formal notice that an event of default has occurred under the Note, confirming that the Company has not waived the default and expressly reserving all of the Company's rights, powers, privileges and remedies under the Note, applicable law or otherwise.

As at the date hereof, the total unpaid principal amount outstanding under the Note is $667,703.95 (which amount accrues default interest at the rate of 22% per annum). Provided that the shareholders approve the PTF Transaction at the Meeting and that completion occurs, PTF will, on completion and in consideration for the purchase, issue a further convertible promissory note to the Company in the amount of approximately A$3.7 million, which further note is repayable on 30 November 2017.

As a result of PTF's default, the Company continues to have the right (not the obligation) to terminate the Amended SPA with PTF. The Board considers that at this stage it is in the best interests of the Company to continue to proceed with the proposed transaction with PTF and to allow shareholders to consider the transaction at the Meeting on the 16 October 2017. If shareholders decide to approve the PTF Transaction, it is anticipated that completion will occur on or before 31 October 2017.

Following the proposed Sale to PTF, the Company's intends to focus on the Design Campus platform, with the immediate aim to increase brand recognition by providing new content in order to drive new customers to the Design Campus site and convert current followers to paid customers. Further the Company intends to engage new sponsors and consider licencing deals. The Company will seek to implement a short-term marketing plan to drive engagement and new member subscriptions which includes regular release of new platform content and social media posts and to leverage its existing member base. Further the Company will seek to identify new acquisitions in the technology, design and across all industries to add value for shareholders.

Design Campus is an online platform for members to subscribe to design courses that feature relevant training content, including courses accredited by both the Interior Design Continuing Education Counsel (IDCEC) and the Architects Institute of America (AIA). Members also gain access to the Design Campus library, a database of educational design articles and literature.

Capital Raising

On 18 October 2016 the Company announced that it was undertaking an equity capital raising of $5.15 million (before costs) via a placement of shares and listed options together with a partially underwritten rights issue, with shares offered at $0.027 each.

The capital raising comprised a placement of 29,900,000 shares to sophisticated and professional investors to raise a total of $807,300 (before costs) (the "Placement"). Applicants who subscribe under the Placement also received one free attaching option for every two Shares subscribed for, exercisable at $0.05 each on or before 30 June 2019. Kabuni also completed a placement to sophisticated and professional investors of 15,000,000 options exercisable at $0.05 on or before 30 June 2019, at an issue price of $0.001 each ("Listed Options") to raise $15,000 (before costs). The Company quoted the Listed Options on the ASX.

The partially underwritten non-renounceable pro-rata rights issue comprised an offer of shares on a 1-for-1 basis at an issue price of $0.027 per Share with one free attaching option exercisable at $0.05 each on or before 30 June 2019 for every two New Shares issued to raise up to approximately $4.33 million before costs.

The rights issue closed on 28 November 2016 having raised a total of $1.293 million (inclusive of shortfall applications). The Company issued the underwriters a shortfall notice for a total of 33,310,665 shares for an amount of $889,387.

On 13 December 2016 the Company raised approximately $900,000 from the issue of the shortfall shares which took the total amount raised for the placement and rights issue to approximately $3 million.

In July 2017 the Company undertook a capital raising of $250,000 via a placement of convertible notes to sophisticated investors in order to provide working capital and to cover costs associated with the transaction with Print the Future, Inc. ("PTF"). The notes are to be convertible at a 20% discount to the price of the next capital raising undertaken by the Company, or at a 20% discount to the 5-day VWAP of Kabuni shares as traded on the ASX, maturing on 31 December 2017.

Further in August 2017 the Company issued 35,000 convertible notes as consideration for advisory fees owed by the Company. These convertible note terms were identical to the convertible notes issued in July 2017.

Board & Management Changes

On 5 January 2017 the Company announced the resignation of Aaron Bertolatti as Company Secretary and the appointment of Mr Brett Tucker as the new Company Secretary.

Pursuant to the signing of the LOI, in April 2017 Mr. Patel and KTI entered into a termination and release agreement in regard to Mr. Patel's employment agreement with KTI. The Release provides for the termination of Mr. Patel's employment agreement and his formal resignation as Managing Director and Chief Executive Officer of Kabuni and its subsidiaries. Mr. Patel has kindly agreed to remain as a one of three corporate directors of the Company's Indian subsidiary pending the completion of the proposed acquisition or until the Board otherwise determines, to avoid the time and administrative costs involved in effecting such changes under Indian corporate law.

On 30 June 2017 Mr. Tony King, Executive Chairman, gave notice of his resignation from the Company in order to pursue other business interests. Further Mr Stuart Carmichael was appointed as Non-Executive Chairman to replace Mr King.

The registered address of the Company also changed to Ground Floor, 16 Ord Street, West Perth WA 6005 effective on 30 June 2017.

DIVIDENDS

No dividend was paid or declared by the Company during the year and up to the date of this report.

MATTERS ARISING AFTER THE END OF THE FINANCIAL PERIOD

Except as set out in the Annual Report, the Directors are not aware of any other matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future financial years, the operations of the Group, the results of those operations or the Group's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

A discussion of likely developments in the Group's operations in future financial years and the expected results of those operations is set out in the Annual Report.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr. Stuart Carmichael (appointed 30 June 2017)
Chairman

Mr Carmichael has extensive international corporate advisory, M&A and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG and KPMG Corporate Finance. Mr Carmichael has extensive corporate and operational experience across multiple geographies having lived and worked in the US, UK, Europe, Middle East and Australia. Mr Carmichael's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors.

Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant.

Mr Carmichael is also a non-executive director of ASX listed company De.mem Limited.

Mr. Tony King (resigned 30 June 2017)
Chairman

Mr. King is a Chartered Accountant with over 15 years' experience in finance, accounting and corporate matters. He has extensive experience in business development and transaction execution. Over a number of years, Mr. King has developed key relationships and extensive networks with fund managers, stockbrokers and financial institutions.

Mr. King's career has included several years of investment banking and financing experience, including periods based in London and the eastern states of Australia. Mr. King is the Managing Director of Max Capital Pty Ltd.

Mr. Neil Patel (resigned 6 April 2017)
Managing Director

Mr. Patel founded Kabuni Technologies in 2013 and served as its Chief Executive Officer from 2013. Mr. Patel is an experienced entrepreneur with a track record of creating innovative technology solutions for the property sector. Prior to joining Kabuni Technologies, he was the founder and Chief Executive Officer for 5730962 Manitoba Ltd (o/a Webidiotz), an online video-creation and marketing company, from September 2008 until December 2012.

Between November 2005 and July 2008 Mr. Patel was Chief Executive Officer of One Move Ltd. in the United Kingdom, an innovative app-based company that partnered with Research in Motion in 2006. Mr. Patel also acted as a director of One Move's publicly-traded parent company, OneMove Technologies Inc. (TSX-V: OM), from February 2006 until May 2008.

Mr. Nik Ajagu (resigned 24 November 2016)
Non-Executive Director

Mr. Ajagu has worked for Facebook Inc. since December 2007, where he holds the position of Global Head of Partnerships, Facebook Advertising Technology. At Facebook, Mr. Ajagu spun out and led the company's Media Solutions teams in North and South America, and led various operations and monetisation teams responsible for designing and implementing the systems, tools, products, and processes that grew Facebook Inc. into a multibillion-dollar advertising business.

In January 2014, he co-founded Code & Canvas, a San Francisco-based centre for art and innovation, and in September 2014 co-founded Barrel and Ink, a creative platform for winemakers and graphic artists. Mr. Ajagu is an active guest lecturer and his organisational leadership and design models have been highlighted in case studies by academic institutions, including Harvard Business School. Mr. Ajagu holds a Bachelor of Arts degree from Princeton University.

Mr. Nathan Sellyn
Non-Executive Director

Mr. Sellyn is currently a partner at Assembly Stakeholder Relations, a boutique investor relations firm that he cofounded in 2011. Between August 2004 and April 2011 Mr. Sellyn worked for Great Canadian Gaming Corporation where he held various roles including Director of Corporate Development and Investor Relations. Mr. Sellyn is also a co-founder and serves as Chief Creative Officer since 2011 of Brothersport Games, a sports-gaming application development studio. Mr. Sellyn earned a Bachelor of Arts degree from Princeton University.

Mr. Matthew Hehman (resigned 18 July 2016)
Non-Executive Director

Between November 2005 and April 2012, Mr. Hehman worked for Facebook Inc. first as a Senior Advertising Campaign Manager before becoming an Account Executive in early 2008. Since September 2014, Mr. Hehman has acted as an advisor to Bountye Inc., an Australian based commerce marketplace technology company. He has served as a director with the Sing Me a Story Foundation since May 2011. Mr. Hehman obtained a Bachelor of Arts with a major in Economics from Stanford University.

Mr. Colm O'Brien (appointed 18 July 2016)
Non-Executive Director

Mr. O'Brien has over 20 year's executive level experience in financial services, management consulting and media industries. He has led ASX listed company Aspermont Limited (ASX: ASP) as CEO and transformed that business from a local mining publication to a global, digitally led resources media business including world leading events.

Mr. O'Brien is currently a Director of Carrington Partners, a management consultancy firm focused on providing practical strategic and executive support, including business growth, cost review and turnarounds, transformational change, acquisition/partnership structures and funding introductions. Mr. O'Brien also acts as non-executive director of Pacific Star Network Limited (ASX: PNW), an ASX listed media company with market leading niche assets in broadcasting and publishing, including SEN Radio, Frankie Magazine, Smith Journal and Surfing Life Australia.

Mr. Ajal Sehgal (appointed 1 August 2016)
Non-Executive Director

Mr. Sehgal is the Chief Technology Officer/Chief Information Officer of The Chemistry Group, responsible for Product Engineering, IT, Information Security, and Production Operations to re-invent the world of work so that people and organizations can excel. Chemistry enables organizations to make better people decisions, which drive demonstrably better commercial outcomes by defining "What Great Looks Like" for roles in an organization, and through innovative technology, enables it to accurately hire and develop talent at scale. Trusted by some of the world's leading enterprise companies in 32 countries, Chemistry enable millions of people a year to understand where they have the opportunity to be great at work

Prior to the Chemistry Group, Mr Sehgal was the Chief Technology Officer/Chief Information Officer of Hootsuite, leading Software Engineering, IT, Security, and Operations. Prior to Hootsuite, Mr Sehgal spent 16 years with the Canadian Armed Forces before joining Microsoft Corporation in Redmond, Washington as a Software Engineering Lead. While at Microsoft, he helped found and scale Expedia from a small group of 40 people within Microsoft into a new public company that became the world's largest travel agency. He later helped establish Groupon's travel business as VP of Product & Technology. With more than 30 years of experience, Mr. Sehgal specializes in the global scaling of SaaS technology and is leading Hootsuite technology through the next step in its evolution.

Company Secretary

Mr. Brett Tucker

Mr. Tucker has acted as Company Secretary to a number of ASX listed and private companies and has been involved in numerous public corporate acquisitions and transactions. Mr Tucker is a Chartered Accountant with a strong corporate and compliance background gained from experience in an international accounting practice, working in both audit and taxation across a wide range of industries.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of the Company are:

Director	Ordinary Shares	Options over Shares	Class A Performance Shares	Class B Performance Shares
Stuart Carmichael	-	-	-	-
Colm O'Brien	300,000	1,000,000	-	-
Nathan Sellyn	866,666	1,000,000	333,333	333,334
Ajai Sehgal	-	1,000,000	-	-

SHARE OPTIONS

As at the date of this report there were 90,080,480 unissued Shares under options of which none had vested. The details of the options are as follows:

Number	Exercise Price $	Expiry Date	Listing Status
12,000,000	$0.30	25-Aug-18	Listed (ASX: KBUO)
70,567,146	$0.05	30-June-19	Listed (ASX: KBUOA)
2,013,334	$0.18	31-Mar-19	Unlisted
150,000	$0.13	6-Nov-18	Unlisted
200,000	$0.13	31-Oct-18	Unlisted
150,000	$0.05	30-Sept-19	Unlisted
3,000,000	$0.06	30-June-19	Unlisted
1,000,000	$0.06	31-Mar-19	Unlisted
1,000,000	$0.06	30-June-19	Unlisted
90,080,480			

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

13,531,667 unlisted options were granted during the year. 70,567,146 listed options were issued during the year. 9,648,333 unlisted employee, consultant and contractor options were cancelled or lapsed during the year and 2,500,000 unlisted supplier options lapsed during the year. No unlisted or listed options were exercised during the year.

Since the balance sheet date to the date of this report, no options have been issued, exercised, cancelled or have lapsed.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act. The indemnification specifically excludes wilful acts of negligence.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Tony King	11	11
Neil Patel	11	11
Nik Ajagu	4	4
Nathan Sellyn	11	11
Colm O'Brien	11	11
Ajai Sehgal	10	10
Matthew Hehman	-	-
Stuart Carmichael	-	-

During the financial year, the Directors met regularly to discuss all matters associated with investment strategy, review of opportunities, and other Company matters on an informal basis. Circular resolutions were passed as necessary to execute formal Board decisions.

PROCEEDINGS ON BEHALF OF COMPANY

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

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Kabuni is in compliance to the extent practicable with those guidelines, given the early stage and nature of its operations. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

The Company has established a set of corporate governance policies and procedures and these can be found on the Company's investor website: investor.kabuni.com.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act requires the Company's auditors to provide the Directors of Kabuni with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included at page 57 of this Annual Report.

Non-Audit Services
There were no non-audit services provided by the Company's auditors during the year ended 30 June 2017.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITED REMUNERATION REPORT

This report, which forms part of this Directors' Report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act.

The remuneration report details the remuneration arrangements for KMP who comprise the Directors and the Senior Executives. The "Senior Executives" are defined as the CEO and those executives having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly.

Details of Key Management Personnel

The following individuals were the KMP of Kabuni for the financial year ended 30 June 2017.

Directors	
Nathan Sellyn	Non-Executive Director (appointed 25 August 2015)
Colm O'Brien	Non-Executive Director (appointed 18 July 2016)
Ajai Sehgal	Non-Executive Director (appointed 1 August 2016)
Stuart Carmichael	Non-Executive Chairman (appointed 30 June 2017)
Tony King	Executive Chairman (appointed 25 August 2015, resigned 30 June 2017)
Nikolas Ajagu	Non-Executive Director (appointed 25 August 2015, resigned 18 November 2016)
Matthew Hehman	Non-Executive Director (appointed 16 September 2015, resigned 18 July 2016)
Neil Patel	Executive Director (appointed 25 August 2015, resigned 6 April 2017)
Senior Executives	
Marc-Alexandre Poirier	Chief Legal Officer (appointed 14 June 2015)
Lisa Dea	Chief Financial Officer (resigned 2 June 2017)
Parminder Singh Virk	Chief Technology Officer of Kabuni Technologies (appointed March 4, 2016, resigned 1 May 2017)
Frans Tjallingi	Chief Operating Officer (resigned 8th March 2017)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for Directors and Senior Executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The expected outcome of this remuneration structure is to retain and motivate the Directors and Senior Executives.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter and Remuneration Policy. Currently, the full Board performs the function of the Remuneration Committee. Given that the Company remains at an early stage of development, the Board's overall approach to compensation remains subject to change and will continue to evolve as the Company grows and develops its business.

Remuneration of Directors

The Constitution provides that the remuneration of non-executive Directors will not be more than the aggregate fixed sum determined by a general meeting of shareholders. The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. Non-executive Directors do not receive performance-based pay.

All non-executive Directors are currently paid an annual stipend of A$15,000 to A$50,000. There are currently no separate attendance fees or fees payable for chairing any committee. The maximum aggregate amount which has been approved to be paid to non-executive Directors is currently set at A$150,000 per annum.

In addition to the annual fees referred to above, with the approval of the shareholders of the Company given at the meetings held on 21 November 2016, certain non-executive Directors have been granted, as incentive securities 1,000,000 unlisted options over Shares. For further details, see "*Shareholdings of Key Management Personnel*", below.

Executive Directors are not entitled to receive any additional compensation, including employee options, in their capacity as Directors.

Chair's Fees

The Chair's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market.

Additional Fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Retirement Allowances for Directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the Directors' overall fee entitlements where applicable.

Remuneration of Senior Executives

Compensation Objectives

Pursuant to the Remuneration Policy, the Company's compensation policies and practices are designed to:

(a) align executive remuneration with shareholder interests;
(b) retain, motive and reward appropriately qualified executive talent for the benefit of the Company;
(c) to achieve a level of remuneration that reflects the competitive market in which the Company operates;
(d) to ensure that individual remuneration is linked to performance criteria if appropriate; and
(e) to ensure that executives are rewarded for both financial and non-financial performance.

The Board aims to satisfy these objectives through the adoption of a compensation program for executive officers that combines base remuneration, which is market related, with performance-based remuneration which is determined on an annual basis. All market comparisons reflect an informal assessment and are based on the Board's knowledge and experience in executive compensation matters. No remuneration consultant was retained by the Company in determining the remuneration of any of the KMP.

Overall remuneration decisions are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance and relevant comparative information.

Compensation Components

In accordance with the remuneration policy, the compensation currently consists primarily of three elements: base salary, cash bonus and long-term equity incentives. Each element of compensation is described in more detail below.

Base Salary

A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to an executive officer is determined based on the scope of his or her responsibilities and prior experience, while taking into account an informal evaluation of competitive market compensation for similar positions and overall market demand for such executives at the time of hire.

Base salaries are reviewed annually and increased for merit reasons, based on the executive officer's success in meeting or exceeding Company and individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of the executive officer's role or responsibilities, as well as for market competitiveness.

Cash Bonus Plan

As at the date hereof, the Board has not approved any formal cash bonus plan. The Board may consider implementing such a plan in the future. *Ad hoc* cash bonuses may be paid from time to time if deemed appropriate by the Board, based on the attainment of particular objectives.

Long-Term Equity Incentives

Equity-based awards are a variable element of compensation that allow executive officers to be rewarded for their sustained contributions to the Company. Equity awards reward continued employment by an executive officer, with an associated benefit to Kabuni of attraction of employees, continuity and retention. Executives may participate in share, performance rights and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the Board considers it appropriate to retain flexibility to issue shares, performance rights and options to executives outside of approved schemes in exceptional circumstances.

At the Company's AGM held on 12 November 2015, the shareholders of the Company approved an Employee Option Plan (the "Option Plan"), pursuant to which the Company may issue options ("Employee Options") to employees, consultants and officers of the Company ("Participants") and issue Shares to those Participants, if they choose to exercise their Employee Options. In the case of a Director, no Employee Options may be issued to the Director without express shareholder approval of the number and terms of the Employee Options.

The Board believes that Employee Options will provide management with a strong link to long-term corporate performance and the creation of shareholder value. The Board does not award Employee Options according to a prescribed formula or target but instead takes into account the individual's position, current base salary, informal assessment at comparable market salaries, ability to affect profits and the individual's historic and recent performance and the value of the awards in relation to other elements of the executive's total compensation. The Board takes previous grants of Employee Options into consideration when considering new grants of Employee Options.

Performance Shares

An aggregate of 10,032,622 Class A Performance Shares, 10,032,625 Class B Performance Shares, 9,032,623 Class C Performance Shares, and 9,032,623 Class D Performance Shares are issued and outstanding (together referred to as the "Performance Shares"), for a total of 38,130,493 Performance Shares. The Performance Shares are not transferrable or assignable.

For details regarding the number of Performance Shares held by the KMP, see "*Performance Shares Holdings of Key Management Personnel*", below.

The terms and conditions of the Performance Shares, including their performance conditions, were determined as part of the negotiation of the terms and conditions of the acquisition of Kabuni Technologies Inc. (formerly PDT Technologies Ltd) in August 2015. The following is a summary of the more significant rights, privileges and restrictions attaching to all Performance Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders of the Company. Full details of the rights attaching to Performance Shares are set out in the Company's Notice of General Meeting for the meeting held on 15 July 2015.

Conversion Rights

Milestone A: Each Class A Performance Share will convert into one Share upon:

(a) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$200 revenue, each month for three consecutive months, on or before August 30, 2016; or

(b) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$200 Revenue, each month for three consecutive months, and the Milestone D below is also achieved,

Milestone B: Each Class B Performance Share will convert into one Share upon:

(a) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$750 revenue, each month for three consecutive months, on or before December 31, 2016; or

(b) a minimum of 1,000 registered home designers each achieve the Canadian dollar equivalent of at least A$750 revenue, each month for three consecutive months, and Milestone D below is also achieved,

Milestone C: Each Class C Performance Share will convert into one Share upon:

(a) the Company achieving the Canadian dollar equivalent of at least A$20 million in revenue in any 12-month period and has a minimum of 20,000 registered home designers, on or before December 31, 2017; or

(b) the Company achieving the Canadian dollar equivalent of at least A$20 million in revenue in any 12-month period and a minimum of 20,000 registered home designers, and Milestone D below is also achieved,

Milestone D: Each Class D Performance Share will convert into one Share upon:

(a) the Company achieving the Canadian dollar equivalent of at least A$50 million in revenue in any 12-month period; and

(b) a minimum of 35,000 registered home designers.

Upon the occurrence of a change of control event in circumstances where any of Milestone A, Milestone B, Milestone C or Milestone D (together the "Milestones") has not been met, that number of Performance Shares on issue that, after conversion, is up to a maximum number that is equal to 10% of the issued Share capital (as at the date of the change of control event will automatically convert into Shares on a pro rata basis to all holders).

If any Milestone is not achieved by December 31, 2018, then all Performance Shares in the class of Performance Shares attaching to that Milestone, held by each holder, will automatically consolidate into one Performance Share and will then convert into one Share.

If the conversion of Performance Shares (or part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

General meetings and voting

A holder of Performance Shares has the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders of the Company, and a right to attend a meeting of shareholders of the Company. Other than as required by law, a Performance Share does not entitle the holder to vote on any resolutions proposed at a meeting of shareholders of the Company.

Dividends and Participation Rights and Rights on Winding Up

A Performance Share does not entitle the holder to any dividends. There are no participating rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues (such as bonus issues) or pro-rata issues of capital to the Company's shareholders. Each Performance Share entitles the holder to participate in the surplus profits or assets of the Company upon winding up, but on the basis that each holder's Performance Shares will consolidate into one Performance Share and will then convert into one Share.

Variation of Rights

The terms of the Performance Shares may be amended by the Company as necessary, but only to the extent required, to comply with ASX Listing Rules or any specific directions of ASX regarding the terms.

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each of the KMP of the Group for the year ended 30 June 2017 are as follows:

2017	Short term			Options	Non-Monetary Benefits	Post-employment		Total $	Option / Performance share related %
	Base Salary $	Directors Fees $	Consulting and other Fees $	Share Based Payments $		Super $	Prescribed Benefits $		
Directors									
Nathan Sellyn	-	33,333	-	13,267	-	-	-	46,600	28.5
Colm O'Brien[1]	-	33,401	-	13,267	-	-	-	46,668	28.4
Ajai Sehgal[1]	-	32,083	-	13,267	-	-	-	45,350	29.3
Stuart Carmichael[1]	-	-	-	-	-	-	-	-	-
Tony King[2]	60,000	-	-	-	-	4,275	-	64,275	-
Nikolas Ajagu[2]	-	5,750	-	-	-	-	-	5,750	-
Matthew Hehman[2]	-	726	-	-	-	-	-	726	-
Neil Patel[3]	177,292	-	-	-	-	-	-	177,292	-
Senior Executives									
Marc-Alexandre Poirier, Chief Legal Officer	133,333	-	-	10,400	-	-	-	143,733	7.2
Lisa Dea, Chief Financial Officer[4]	136,648	-	-	-	-	-	-	136,648	-
Parminder Singh Virk, Chief Technology Officer[5]	150,000	-	-	10,109	-	-	-	160,109	6.3
Frans Tjallingi, Chief Operating Officer[6]	58,864	-	-	-	-	-	-	58,864	-
	716,137	**105,293**	**-**	**60,310**	**-**	**4,275**	**-**	**886,015**	

[1] Messrs O'Brien, Sehgal and Carmichael were appointed on 18 July 2016, 1 August 2016 and 30 June 2017 respectively.

[2] Messrs King, Ajagu and Hehman resigned on 30 June 2017, 18 November 2016 and 18 July 2016 respectively.

[3] Mr Patel resigned on 6 April 2017

[4] Mrs Dea resigned on 2 June 2017

[5] Mr Virk resigned on 1 May 2017

[6] Mr Tjallingi resigned on 8 March 2017

There were no other KMP of the Group during the financial year ended 30 June 2017.

Details of the nature and amount of each element of the remuneration of each of the KMP of the Group for the year ended 30 June 2016 are as follows:

2016	Short term			Options	Non-	Post-employment		Total $	Option / Performance share related %
	Base Salary $	Directors Fees $	Consulting and other Fees $	Share Based Payments $	Monetary Benefits	Super $	Prescribed Benefits $		
Directors									
Tony King	76,250	-	-	-	3,737	14,088	-	94,075	
Neil Patel[1]	191,517	-		-	9,387	-	-	200,904	-
Nik Ajagu[1]	-	12,500	-	-	613	-	-	13,113	-
Nathan Sellyn [1]	-	12,742	-	-	625	-	-	13,367	-
Matthew Hehman[2]	-	11,849	-	198,333	581	-	-	210,763	94.1
Cameron Pearce[3]	-	7,500	-	-	368	713	-	8,581	-
Travis Schwertfeger[3]	-	4,500	-	-	221	428	-	5,149	-
Senior Executives									
Marc-Alexandre Poirier, Chief Legal Officer[4]	168,164	-	-	31,006	8,236	-	-	207,406	15.0
Tim Fernback, Interim Chief Financial Officer[4]	-	-	47,570	-	2,331	-	-	49,901	-
Linda Lee, Chief Financial Officer[5]	112,194	-	45,533[6]	-	7,730	-	-	165,457	-
Parminder Singh Virk, Chief Technology Officer[7]	126,336	-	-	16,330	6,191	-	-	148,857	11.0
	674,461	**49,091**	**93,103**	**245,669**	**40,020[8]**	**15,229**	**-**	**1,117,573**	

[1] Mr. Patel, Mr. Ajagu and Mr. Sellyn were appointed on 25 August 2015.

[2] Mr. Hehman was appointed on 16 September 2015.

[3] Mr. Schwertfeger and Mr. Pearce resigned on 25 August 2015 and 16 September 2015 respectively.

[4] Mr. Poirier and Mr. Fernback were appointed on 9 September 2015 and 7 March 2016 respectively. Prior to his formal appointment and since the date of the Acquisition, Mr. Poirier was acting Chief Legal Officer of Kabuni Technologies.

[5] Ms. Lee was appointed on 20 October 2015 and resigned 11 March 2016.

[6] Ms. Lee received a termination benefit of $45,533 upon resigning as Chief Financial Officer of the Group.

[7] Mr. Virk was appointed on appointed 4 March 2016

[8] Relates to the Directors and officers insurance premium of $40,020 paid to insure the Directors and officers of the Group.

There were no other KMP of the Company during the financial year ended 30 June 2016.

Shareholdings of Key Management Personnel

The number of Shares held during the financial year by each Key Management Personnel and key management personnel, including their personally related parties, is set out below.

2017	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year or date of resignation
Directors					
Nathan Sellyn	866,666	-	-	-	866,666
Colm O'Brien[1]	-	-	-	300,000	300,000
Ajai Sehgal[1]	-	-	-	-	-
Stuart Carmichael[1]	-	-	-	-	-
Tony King[2]	4,625,040	-	-	4,271,000	8,896,040
Nikolas Ajagu[2]	333,333	-	-	-	333,333
Matthew Hehman[2]	333,333	-	-	-	333,333
Neil Patel	19,950,000	-	-	-	19,950,000
Senior Executives					
Marc-Alexandre Poirier[3]	-	-	-	-	-
Lisa Dea[4]	-	-	-	-	-
Parminder Singh Virk[5]	-	-	-	-	-
Frans Tjallingi[6]	-	-	-	-	-

[1] Messrs O'Brien, Sehgal and Carmichael were appointed on 18 July 2016, 1 August 2016 and 30 June 2017 respectively.

[2] Messrs King, Ajagu and Hehman resigned on 30 June 2017, 18 November 2016 and 18 July 2016 respectively.

[3] Mr. Poirier was appointed on 9 September 2015. Prior to his formal appointment, Mr. Poirier was acting Chief Legal Officer of Kabuni Technologies.

[4] Mrs Dea resigned on 2 June 2017

[5] Mr Virk resigned on 1 May 2017

[6] Mr Tjallingi resigned on 8 March 2017[7]

All equity transactions with KMP other than Shares granted as incentives or arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

Performance Shares Holdings of Key Management Personnel

The table below discloses the number of Performance Shares granted and vested during the 2017 financial year to Key Management Personnel. No Performance Shares lapsed during the year. No Performance Shares were issued during the 2017 financial year. For a summary of the terms and conditions attaching to the Performance Shares, see "*Performance Shares*", above.

2017	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Balance at the end of the year/date of resignation	Number vested during the year
Directors					
Nathan Sellyn	666,667	-	-	666,667	-
Colm O'Brien	-	-	-	-	-
Ajai Sehgal	-	-	-	-	-
Stuart Carmichael	-	-	-	-	-
Tony King	-	-	-	-	-
Nikolas Ajagu	666,667	-	-	666,667	-
Matthew Hehman	666,667	-	-	666,667	-
Neil Patel	24,605,000	-	-	24,605,000	-
Senior Executives					
Marc-Alexandre Poirier	-	-	-	-	-
Lisa Dea	-	-	-	-	-
Parminder Singh Virk	-	-	-	-	-
Frans Tjallingi	-	-	-	-	-

Option Holdings of Key Management Personnel

The numbers of options over Shares in the Company held during the financial year by each of the Key Management Personnel, including their personally related parties, are set out below:

2017	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year/date of resignation	Exercisable	Un-exercisable
Directors							
Nathan Sellyn	-	1,000,000	-	-	1,000,000	1,000,000	-
Colm O'Brien	-	1,000,000	-	-	1,000,000	1,000,000	-
Ajai Sehgal	-	1,000,000	-	-	1,000,000	1,000,000	-
Stuart Carmichael	-	-	-	-	-	-	-
Tony King	-	-	-	-	-	-	-
Nikolas Ajagu	-	-	-	-	-	-	-
Matthew Hehman	-	-	-	-	-	-	-
Neil Patel	-	-	-	-	-	-	-
Senior Executives							
Marc-Alexandre Poirier	-	1,000,000	-	-	1,000,000	1,000,000	-
Lisa Dea	-	650,000	-	(650,000)	-	-	-
Parminder Singh Virk	-	-	-	-	-	-	-
Frans Tjallingi	-	5,500,000	-	(5,500,000)	-	-	-

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

During the year ended 30 June 2017, 10,150,000 (2016: nil) Options with an exercise price of 6 cents were granted pursuant to the terms of the Option Plan to Key Management Personnel of the Group.

	Granted No.	Grant Date	Fair value at grant date	Expiry date	Vesting date
Directors					
Nathan Sellyn	1,000,000	24/11/16	13,267	30/06/19	21/11/16
Colm O'Brien	1,000,000	24/11/16	13,267	30/06/19	21/11/16
Ajai Sehgal	1,000,000	24/11/16	13,267	30/06/19	21/11/16
Senior Executives					
Marc-Alexandre Poirier	1,000,000	09/12/16	10,400	3103/19	09/12/16
Lisa Dea	650,000	18/08/16	5,660	06/09/19	18/08/16
Frans Tjallingi					
- Class A	2,500,000	24/11/16	4,955	07/11/19	24/11/16
- Class B	1,500,000	24/11/16	2,307	07/11/19	24/11/16
- Class C	1,500,000	24/11/16	1,903	07/11/19	24/11/16

Details of Options held at reporting date by Key Management Personnel of the Group are detailed below:

	Grant Date	Number Granted	Fair Value per Option granted	Vest Date	No of Options vested during the year	Vested %
Directors						
Nathan Sellyn	24/11/16	1,000,000	$0.0133	24/11/16	1,000,000	100%
Colm O'Brien	24/11/16	1,000,000	$0.0133	24/11/16	1,000,000	100%
Ajai Sehgal	24/11/16	1,000,000	$0.0133	24/11/16	1,000,000	100%
Stuart Carmichael	-	-	-	-	-	-
Senior Executives						
Marc-Alexandre Poirier	09/12/16	1,000,000	$0.0104	09/12/16	1,000,000	100%
Parminder Singh Virk	17/03/16	526,667	$0.0502	03/09/16	526,667	100%

Options Affecting Remuneration

Options over Shares are granted at the Directors discretion. When exercisable, each option is convertible into one Share. Options granted carry no dividend or voting rights. At the Company's Annual General Meeting held on 21 November 2016, the shareholders of the Company approved resolutions relating to the issue of options to Directors. For further details on the Option Plan, see "*Remuneration of Senior Executives – Long-term incentives*", above.

Executive Contracts

Remuneration arrangements for executives are set out in formal employment agreements or consulting services agreements with those executives, as the case may be. The following outlines certain details of the contracts with the KMP:

Name:	Neil Patel
Title:	Managing Director and CEO
Type of agreement:	Employment agreement
Commencement date:	31 July 2015
Cessation date:	6 April 2017
Term of agreement:	Initial fixed term of 3 years, which continues thereafter on an indefinite basis.
Details:	Annual base salary of CA$185,000 per annum. The agreement may be terminated at any time by making a lump sum payment equal to (a) six months of base salary, plus (b) a sum equal to 10% of this amount for benefits. If there is a "Change of Control", Mr. Patel may terminate his employment at his option and receive a lump sum payment equal to (a) 12 months of base salary, plus (b) a sum equal to 15% of this amount for benefits. "Change of Control" includes (i) the acquisition by another person of 40% or more of the Company's outstanding voting securities, (ii) a sale of all or substantially all of the assets of the Company, (iii) the merger of the Company with other entity, or (iv) the liquidation, dissolution or winding-up of the Company. The receipt of the aforesaid payments is conditional upon the prior execution of a release and indemnity by Mr. Patel in favour of Kabuni Technologies.

Name:	Marc-Alexandre Poirier
Title:	Chief Legal Officer
Type of agreement:	Employment agreement
Commencement date:	14 June 2015
Term of agreement:	Initial fixed term of 12 months, which continues thereafter on an indefinite basis.
Details:	Annual base salary of CA$160,000 per annum. The agreement may be terminated at any time by giving three months' notice.

Service Agreements

Chairman

The former Chairman, Mr. Tony King had entered into a new service agreement with the Company in the form of a letter of appointment on 25 August 2015. Pursuant to the agreement Mr. King is to be paid a Director's fee of $75,000 per annum plus superannuation. Prior to this, Mr. King was employed under an open term consulting services agreement whereby he received an annual fee of $120,000 plus superannuation. Mr King resigned effective 30 June 2017.

Non-Executive Directors

On appointment to the Board, all non-executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the Director.

The aggregate remuneration for Non-Executive Directors has been set at an amount not to exceed $150,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Loans to Directors and Executives

There were no loans to Directors or Senior Executives during the financial year ended 30 June 2017.

Voting and comments made at the Company's 2016 Annual General Meeting

The Company received 100% of "yes" vote on its remuneration report for the 2016 financial year at its AGM held on 21 November 2016. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the board in accordance with a resolution of the Directors.

Stuart Carmichael
Non-Executive Director

Perth, Western Australia

29th September 2017

Kabuni Ltd.

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

	Note	30 June 2017 $	Restated 30 June 2016 $
Continuing Operations			
Revenue		5,473	-
Selling expenses		-	-
Gross Profit		**5,473**	**-**
Operating expenses			
Advertising and promotion		17,642	558,250
Depreciation of tangible assets	9	-	-
Depreciation and Amortization	10	5,521	-
General and administration		10,002	363,099
Insurance		31,597	18,103
Professional and consulting services		286,484	1,027,217
Rent and Outgoings		26,531	328,526
Salaries, Director's fees, bonus and benefits		170,446	164,770
Software development		-	1,075,149
Travel expenses		81,126	284,131
Impairment of Intangible Assets	10	60,732	93,071
Reclassification of operating costs to discontinued operations			(3,702,560)
Total operating expenses		**690,081**	**209,756**
Net (Loss) from continuing operations		**(684,608)**	**(209,756)**
Share-based payments	15	(129,515)	(465,198)
Finance Costs		(3,211)	(10,649)
Listing Fees		(59,175)	(8,885,899)
Unrealized exchange gain		-	31,254
Realized exchange loss		-	6,631
Accretion Expense on convertible debt		-	(29,321)
Foreign Exchange loss/(gain)		-	(27,530)
Loss on conversion of convertible debt		-	(171,866)
Incorporation costs		-	(21,511)
Loss of Equipment		-	(5,917)
Other income		4,214	117,117
Total (Loss) from continuing operations		**(872,295)**	**(9,672,645)**
Discontinued Operations			
Loss from discontinuing operations	8	(4,232,092)	(6,261,793)
Total (Loss) attributable to owners		**(5,104,387)**	**(15,934,438)**
Other comprehensive loss			
Exchange (loss) / gain on translation of foreign operations		(70,009)	87,413
Total (loss) and comprehensive (loss) for the year		**(5,174,396)**	**(15,847,025)**
Loss per share			
- basic and diluted	18	(0.03)	(0.14)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	30 June 2017 $	30 June 2016 $
Current assets			
Cash and cash equivalents	5	134,352	1,958,734
Trade and other receivables	6	4,902	147,747
Prepaid expenses and deposits	7	31,350	142,936
Assets held for sale	8	548,309	5,000
Total current assets		**718,913**	**2,254,417**
Non-current assets			
Property and equipment	9	-	809,469
Intangible Assets	10	-	-
Total non-current assets		**-**	**809,469**
Total assets		**718,913**	**3,063,886**
Current liabilities			
Trade and other payables	11	149,033	434,159
Loans payable	12	-	84,983
Non-current liabilities related to assets held for sale	8	258,133	-
Total liabilities		**407,166**	**519,142**
Net assets		**311,747**	**2,544,744**
Equity			
Issued share capital	13	20,116,448	17,338,533
Reserves	14	4,254,139	4,160,664
Accumulated losses	16	(24,058,840)	(18,954,453)
Total equity		**311,747**	**2,544,744**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Kabuni Ltd.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Issued Share Capital $	Accumulated losses $	Share-based Payments / Performance Share Reserve $	Foreign exchange translation reserve $	Total $
Balance at 1 July 2015		**502,255**	**(3,020,015)**	**-**	**(59,181)**	**(2,576,941)**
Issue of Kabuni Limited shares for the acquisition of Kabuni Technologies Inc.	2	7,200,200	-	-	-	7,200,200
Shares issued to advisors as finders' fee	2	811,509	-	-	-	811,509
Share-based payments	2	133,333	-	-	-	133,333
Shares issued on settlement of payables	13	560,000	-	-	-	560,000
Shares issued on conversion of loan	13	1,420,000	-	-	-	1,420,000
Performance shares issued	14(a)	-	-	3,879,716	-	3,879,716
Shares issued immediately prior to the acquisition of Kabuni Technologies Inc.	13	7,000,000	-	-	-	7,000,000
Issuance of shares for services	13	19,500	-	-	-	19,500
Share-based payments	13	65,000	-	-	-	65,000
Shares issued by Kabuni Technologies Inc.	13	141,253	-	-	-	141,253
Performance shares issued	14(a)	-	-	133,333	-	133,333
Options issued to employees and suppliers	14(b)	-	-	119,383	-	119,383
Share issue costs	13	(514,517)	-	-	-	(514,517)
Loss for the year	16	-	(15,934,438)	-	-	(15,934,438)
Cumulative translation adjustment		-	-	-	87,413	87,413
Balance as at 30 June 2016		**17,338,533**	**(18,954,453)**	**4,132,432**	**28,232**	**2,544,744**
Balance at 1 July 2016		**17,338,533**	**(18,954,453)**	**4,132,432**	**28,232**	**2,544,744**
Issue of shares	13	3,000,625	-	-	-	3,000,625
Share issue costs	13	(222,710)	-	-	-	(222,710)
Issue of listed options	14(b)	-	-	15,000	-	15,000
Issue of share options	14(b)	-	-	148,484	-	148,484
Loss for the year	16	-	(5,104,387)	-	-	(5,104,387)
Cumulative translation adjustment		-	-	-	(70,009)	(70,009)
Balance as at 30 June 2017		**20,116,448**	**(24,058,840)**	**4,295,916**	**(41,777)**	**311,747**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Kabuni Ltd.
Consolidated Statement of Cash Flows
For the year ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		(4,389,892)	(6,954,486)
Receipts from sales and related debtors		27,706	12,842
Interest paid		-	(80,000)
Interest received		4,214	117,117
Net cash used in operating activities	5	**(4,357,972)**	**(6,904,527)**
Cash flows from investing activities			
Acquisition/Disposal of intangible assets		(66,653)	(88,915)
Acquisition/Disposal of property and equipment		(63,614)	(814,428)
Cash acquired on acquisition/disposal of subsidiary		-	2,815,998
Net cash (used in) / provided by investing activities		**(130,267)**	**1,912,655**
Cash flows from financing activities			
Repayment of loans payable			(600,000)
Proceeds from options issue		15,000	-
Proceeds from issue of shares/options		3,000,625	7,510,000
Proceeds from convertible debt			84,382
Share issue costs		(222,710)	(417,839)
Net cash provided by / (used in) financing activities		**2,792,915**	**6,576,543**
Change in cash and cash equivalents during the year		**(1,695,324)**	**1,584,671**
Cash and cash equivalents, beginning of the year		1,958,734	552,257
Impact of exchange rate changes on cash and cash equivalents		(59,143)	(178,194)
Cash and cash equivalents, end of the year		**204,267**	**1,958,734**

Cash and Cash Equivalents at 30 June 2017 as follows:

		30 June 2017 $	30 June 2016 $
Cash and cash equivalents continuing operations (Note 5)	5	134,352	1,958,734
Cash and cash equivalents classified as held for sale (Note 8)	5	69,915	-
Cash and cash equivalents, end of the year		**204,267**	**1,958,734**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Nature and continuance of operations

Kabuni Ltd. ("Kabuni" or "the Company"; formerly Magnolia Resources Limited) was incorporated on May 11, 2012 under the *Corporation Act 2001* of Australia. Kabuni is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX") under the symbol KBU.

Kabuni is an online membership platform within the Interior Design industry. Its platform Design Campus enables members to subscribe to design courses that feature relevant training content, including courses accredited by both the Interior Design Continuing Education Counsel (IDCEC) and the Architects Institute of America (AIA).

The Company's registered office is at Ground Floor, 16 Ord Street, West Perth, Western Australia, 6005, Australia.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. For the year ended 30 June 2017, the Company and its consolidated entities have a net working capital of $311,747 and accumulated deficit of $24,058,840.

The company's continued operations are reliant on the successful completion of the Print the Future Inc. transaction as detailed in note 24 of the financial statements and the successful raising of additional funding through developing and leveraging its Design Campus platform.

No provision has been made in these consolidated financial statements for any adjustments to the net recoverable value of assets should the Company not be able to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. Reverse takeover transaction ("RTO")

On August 25, 2015, the Company completed its acquisition of 100% of Kabuni Technologies Inc., formerly named PDT Technologies Inc. ("Kabuni Tech.").

Under the sale share agreement ("SSA") 100% of the share capital of Kabuni Tech. was sold for the following consideration:

(a) 38,376,819 fully paid ordinary shares of the Company, consisting of:
   i. 25,550,000 shares to shareholders of Kabuni Tech.;
   ii. 10,026,818 shares to other shareholders of Kabuni Tech.; and
   iii. 2,800,001 shares to certain creditors of Kabuni Tech. to settle outstanding payables.
(b) 4,257,547 shares to corporate advisors of Kabuni Tech. who introduced and facilitated the transaction.
(c) 15,523,810 shares to holders of Kabuni Tech.'s convertible loan payable.
(d) 37,463,826 performance shares to directors, employees and advisors which will automatically convert into shares upon satisfaction of certain milestones.

The 2,800,001 shares issued to certain creditors of Kabuni Tech. were issued to settle outstanding payables in the amount of Canadian $560,000. The Company recognized a loss on settlement of accounts payable of $124,198 during the year ended 30 June 2016, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

The 15,523,810 shares issued to holders of Kabuni Tech.'s convertible debt were issued to settle outstanding debt in the amount of $1,420,000. The Company recognized a loss on settlement of convertible debt of $47,668 during the year ended 30 June 2016, which related to the difference between the fair value of the share issued by Magnolia and the debt settled.

2. Reverse takeover transaction ("RTO") (continued)

The acquisition of Kabuni Tech. resulted in the shareholders of Kabuni Tech. obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured such that two of the Company's three directors stepped down and were replaced by Kabuni Tech's nominees. A nominee of Kabuni Tech. serves as the Managing Director and the Kabuni Tech. management team has assumed responsibility for the management of the merged entity.

Consequently, the transaction is considered a reverse take-over ("RTO"). Since the Company has become a dormant public shell, the Company does not meet the definition of a business and the acquisition is accounted for as a purchase of the Company's net assets. The purchase consideration is determined as an equity-settled share-based payment, under AASB 2, Share-based Payments, at the fair value of the equity instruments retained by the shareholders of the Company, based on the market value of the Company's ordinary shares on the date of the closing of the RTO.

The application of the RTO guidance has resulted in the Company (the legal parent) being accounted for as the subsidiary and Kabuni Tech. (the legal subsidiary) being accounted for as the parent entity.

As Kabuni Tech. is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The Company`s results of operations have been included from the date of the RTO. The legal capital of the entity continues to be that of the Company, the legal parent.

Net asset acquired:		
Cash and cash equivalents	$	2,815,998
Receivables		58,616
Other assets		5,000
Due from Kabuni Tech.		750,000
Accounts payable and accrued liabilities		(490,755)
	$	3,138,859
Purchase price of equity:		
36,001,000 ordinary shares at $0.20 per share	$	7,200,200
Finders Fees'		
Advisor shares (4,257,547 ordinary shares)		811,509
Additional shares to a director (666,666 ordinary shares)		133,333
Performance shares		3,879,716
	$	12,024,758
Cost of public listing	**$**	**8,885,899**

The transaction was measured at the fair value of the shares that Kabuni Tech. would have had to issue to shareholders of the Company to give shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Kabuni Tech. acquiring the Company. The fair value of the ordinary shares was determined based on the share value in the concurrent public offer which was $0.20 (Note 13).

During the year ended 30 June 2016, a listing fee of $8,885,899 was charged to the statement of profit or loss and other comprehensive income as a listing expense to reflect the difference between the fair value of the amount paid (being the number of ordinary shares retained by the original shareholders of the Company and finders' fee shares) and the fair value of the net assets received from the Company in accordance with in AASB 2 Share-based Payments.

3. Basis of presentation

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards.

Australian Accounting Standards 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial report is presented in Australian dollars. These consolidated financial statements were authorized for issue by the Board of Directors on **29 September 2017.**

(b) Basis of measurement and use of estimates and judgements

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and are presented in Australian dollars ("AUD"). The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the year. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the valuation of share-based payments and performance shares issued;
- determination of the purchase price of the Company (Note 2);
- the recognition and recoverability of deferred tax assets;
- the assumptions used to measure the fair value of the debt and equity components of convertible debentures;
- the assumptions used to value the derivative liability arising on the convertible debentures;
- assessment of whether there is an indication that an asset may be impaired and making an estimate of the asset's recoverable amount; and
- assessment of the recoverability of loans and other receivables.

4. Significant Accounting Policies

The consolidated financial statements are prepared on the historical cost convention. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The accounting policies have been applied consistently by the Company and its entities.

(a) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Kabuni Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

Subsidiaries are fully consolidated from the date on which control is acquired.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and presentation currency of Kabuni Limited is Australian dollars. The functional currency of the Canadian subsidiary is the Canadian dollar. The functional currency of the USA subsidiary is the United States dollar. The functional currency of the Indian subsidiary is the Indian rupee.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance date exchange rates are recognised in profit or loss.

(iii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

4. Significant Accounting Policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

(d) Leases

Leases of property, plant and equipment where the Group as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. The Group currently has no leases.

(e) Plant and equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of the assets' cost less residual value is computed using the straight-line method over the estimated useful lives of the assets.

Office furniture	5 years
Computer equipment	3 years
Leasehold improvements	Term of the lease

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effect of any changes in estimates accounted for on a prospective basis. The determination of appropriate useful lives and residual values are based on management's judgement; therefore the resulting depreciation is subject to estimation uncertainty.

Items of equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use. Any gain or loss arising from disposal or retirement is determined as the difference between the consideration received and the carrying amount of the asset and is recognized in profit or loss.

(f) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. 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 recognized in profit or loss when incurred.

4. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(ii) Classification and subsequent measurement
The Company classifies its financial instruments into one of the following categories at initial recognition based on the nature and purpose of the instrument:

Assets
- fair value through profit or loss
- held-to-maturity
- loans and receivables
- available for sale

Liabilities
- fair value through profit or loss
- other liabilities

Fair value through profit or loss
Financial assets and liabilities are classified as fair value through profit or loss when the financial asset or liability is held for trading or is designated as fair value through profit or loss upon initial recognition.

A financial asset or liability is classified as held for trading if:
- it has been acquired or incurred principally for the purpose of selling or repurchasing in the near future;
- it is part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets and liabilities classified as fair value through profit or loss, which includes cash and cash equivalents, bank indebtedness and derivative liability are stated at fair value with any gains or losses arising on re-measurement recognized in profit or loss.

Available for sale financial assets
Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified in any of the other asset categories. The Company has no assets classified as available for sale.

Available for sale financial assets are stated at fair value. Changes in the fair value of monetary available for sale assets resulting from foreign exchange gains and losses, interest income calculated using the effective interest method and dividends are all recognized in profit or loss; all other changes in fair value are recognized in other comprehensive income. When an available for sale asset is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Held-to-maturity, loans and receivables, and other liabilities
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the intent and ability to hold to maturity; the Company currently has no held-to-maturity assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and includes receivables. Other financial liabilities include accounts payable and accrued liabilities, and loans payable.

Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method less any impairment. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant year using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees, transaction costs and other premiums or discounts that form an integral part of the effective interest rate) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(iii) Derecognition
Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership to another entity. Financial liabilities are derecognized when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of comprehensive loss.

(g) Impairment

(i) Non-financial assets
The Company's equipment and intangible assets, if any, are reviewed for indicators of potential impairment at the end of each reporting year. Such indicators may include an adverse change in business climate, technology, or regulations that impact the industry. The determination of whether such indicators exist requires significant judgment.

If indication of impairment exists, the asset's recoverable amount is estimated to determine the extent of an impairment loss, if any. For an asset that does not generate largely independent cash inflows or for which it is not possible to estimate the recoverable amount, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or CGU is the greater of fair value less costs to sell and value in use. The determination of the recoverable amount in the impairment assessment requires estimates based on quoted market prices, prices of comparable transactions, present value or other valuation techniques or a combination thereof, necessitating management to make subjective judgments and assumptions. When calculating an assets 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 which the cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset, or CGU, exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the year. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, if any, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. The Company has no goodwill balance for any of the reporting years presented.

An impairment loss is reversed if there is an indication that 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 or amortization, if no impairment loss had been recognized. The reversal of an impairment loss is recognized immediately in profit or loss.

(ii) Financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected. The determination of whether such indicators exist requires significant judgment.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it has become probable that the borrower will enter bankruptcy or financial reorganization;
- the disappearance of an active market for the security; and
- significant or prolonged decline in the fair value of an available for sale equity instrument below its cost.

4. Significant Accounting Policies (continued)

(g) Impairment (continued)

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is directly reduced by the impairment loss with the exception of trade receivables. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Impairment losses on available for sale assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in unrealized gains/losses in equity, to profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent year, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized. Impairment losses recognized in profit or loss on available for sale equity instruments cannot be reversed.

(h) Revenue recognition

Revenue from rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is earned primarily from subscriptions from the websites members. Revenues for membership are paid in advance and will be deferred and recognized as revenue over the subscription period.

(i) Research and development costs

Research and development costs consist of costs incurred to develop the Company's website and mobile application to promote, advertise and earn revenue with respect to the Company's business operations. All costs are expensed as incurred unless they meet the specific criteria under Australian accounting standards for capitalization. No costs have been capitalized to date.

(j) Intangible assets

Acquired intangible assets are initially recorded at cost. Indefinite life intangible assets are not amortized while assets with finite lives are amortized on a straight-line basis over their estimated useful life. The Company's acquired intangible assets are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets, generally two to seven years.

These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired as described in the impairment of non-financial assets policy.

(k) Earnings (loss) per share

Basic earnings (loss) per share are calculated using the weighted average number of ordinary shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the basic weighted average number of ordinary shares outstanding during the year is increased to include the number of additional ordinary shares that would have been outstanding if the dilutive potential ordinary shares had been issued.

4. Significant Accounting Policies (continued)

(l) Income taxes

Income tax expense comprises current and deferred tax.

Current income tax is the amount expected to be recovered from or paid to the taxation authorities based on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable from previous years.

Deferred tax assets and liabilities are recognized for tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the year that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Executive Director, in consultation with the Board of Directors. The Group's primary segment is one business, being the development of an e-commerce platform in the home design space. Refer to Note 17 for details.

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(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4. Significant Accounting Policies (continued)

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

(p) Employee Benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(q) Share-based payments

Share-based compensation benefits are provided to employees of Kabuni at the Directors' discretion. The fair value of options and performance shares granted by Kabuni is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value of options at grant date is independently determined 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.

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

The fair value of the performance shares is determined based on the spot price on the grant date adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

4. Significant Accounting Policies (continued)

(r) Non-current assets held for sale and discontinued operations

Non-current Assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sales as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash-generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for an initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

(s) New standards not yet adopted

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the consolidated financial statements upon adoption of these new and revised accounting standards.

AASB 9: Financial Instruments and associated Amending Standards

The 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 objectives 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"). For 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 ("ELC") model to recognize an allowance. Impairment will be measured in 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 Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

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 recognize 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 standards will require the following:

1. Contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract.
2. Determination the transaction price, adjusted for the time value of money excluding credit risk.
3. 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.
4. Recognition of revenue when each performance obligation is satisfied.

4. Significant Accounting Policies (continued)

(r) New standards not yet adopted (continued)

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 recognized 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 customers; the significant judgements made in applying the guidance to those contracts; and any assets recognized from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

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 capitalized 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 capitalized lease will also be recognized, 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, earnings before interest, tax, depreciation, and amortisation ("EBITDA") 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 Company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Company.

(t) New standards adopted

The Group has considered the implications of new and amended Accounting Standards that became applicable for reporting periods commencing after 1 July 2016 but determined that their application to the financial statements is either not relevant or not material.

5. 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.

	Consolidated 30 June 2017 $	**Consolidated 30 June 2016 $**
Cash	134,352	1,591,619
Cash equivalents	-	367,115
	134,352	**1,958,734**

Cash and cash equivalents of $69,915 relating to Kabuni Technologies Inc. and Kabuni Technologies (India) Private Limited, which are expected to be disposed of post year end, have been excluded from the above and reclassified as held for sale as per note 8 to the financial statements. The prior year cash and cash equivalents include $1,363,273 which relates to assets held for sale and discontinuing operations.

5. Cash and cash equivalents (continued)

Reconciliation of loss for the year to net cash flows from operating activities

	30 June 2017 $	30 June 2016 $
Cash flows from (used in) operating activities		
Loss for the year	(5,104,387)	(15,934,438)
Adjustments for:		
Depreciation	323,103	37,822
Provision for impairment of assets	279,819	-
Accretion on convertible debt and transaction costs	-	29,321
Finance fees and costs	-	10,649
Gain on derivative liability	-	-
Loss (Gain) on settlement of accounts payable	-	171,866
Interest expense	-	-
Share-based payments	148,484	465,198
Pre-incorporation profit adjustment	-	(79,117)
Loss of equipment	-	5,917
Write-off of intangible asset	60,732	93,071
Listing expense	-	8,885,899
Movements in working capital		
Receivables	(73,375)	(93,149)
Prepaid expenses and deposit	(254,430)	(31,689)
Accounts payable and accrued liabilities	(182,111)	(845,898)
Foreign exchange differences	444,193	380,021
Net cash outflows used in operating activities	**(4,357,972)**	**(6,904,527)**

6. Trade and other receivables

The summary of the Group's receivables is as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Taxes receivable from governments	4,902	103,693
Other receivables	-	44,054
	4,902	**147,747**

Trade and other receivables of $109,723 relating to Kabuni Technologies Inc. and Kabuni Technologies (India) Private Limited, which are expected to be disposed of post year end, have been excluded from the above and reclassified as held for sale as per note 8 to the financial statements. The prior year trade and other receivables include $140,184 which relates to assets held for sale and discontinuing operations.

7. Prepaid expenses and deposits

The summary of the Group's prepaid expenses and deposits are as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Prepaid expenses	31,350	55,493
Deposits	-	87,443
	31,350	**142,936**

Prepaid expenses and deposits of $95,890 relating to Kabuni Technologies Inc. and Kabuni Technologies (India) Private Limited, which are expected to be disposed of post year end, have been excluded from the above and reclassified as held for sale as per note 8 to the financial statements. The prior year prepaid expenses and deposits include $113,487 which relates to assets held for sale and discontinuing operations.

8. Assets held for sale and discontinued operations

Financial information relating to the Kabuni Technologies Inc. (Canada) and Kabuni Technologies Private Limited (India) which are considered discontinued operations at 30 June 2017 is set out below.

Print The Future, Inc. entered into a Share Purchase Agreement ("SPA") with Kabuni on 1 May 2017 to acquire all of the issued capital of Kabuni's subsidiaries, KTI, KB India and Kabuni USA, Inc. ("KBUSA"). On 30 June 2017, the Company entered into an Amended and Restated Share Purchase Agreement) ("Purchase Agreement") with PTF that in effect amended, re-stated and replaced the SPA. Under the Purchase Agreement, it is proposed that Kabuni will be paid a purchase price of $4,500,000 from PTF as set out below:

(a) A convertible promissory note from PTF in a principal amount of $843,900.22, being the total amounts outstanding under the TSA including accrued interest, as at 30 June 2017 ("the TSA Note");

(b) A convertible promissory note of PTF in the agreed form, in a principal amount that shall equal $4,500,000 less the principal amount of the TSA Note, (but not taking into account any amount attributable to accrued interest) ("the Purchase Note"). The Purchase Note will be issued on completion of the transaction. The Purchase Note will mature and be repayable on or before 30 November 2017. The Purchase Note will not bear interest prior to Maturity.

8. Assets held for sale and discontinued operations (continued)

The financial performance of the discontinued operation to 30 June 2017, which is included in the loss from discontinued operations per the statement of profit or loss and other comprehensive income is as follows:

	Note	30 June 2017 $	30 June 2016 $
Revenue			
Membership/Online Revenue		22,234	11,619
Services		791,060	1,223
Total Income		**813,294**	**12,842**
Expenses			
Operation Costs		1,485,501	3,708,346
Wages and Salaries		2,195,254	2,528,467
Depreciation	9	317,584	37,822
Impairment of Assets	9	279,819	-
Bad Debts		767,228	-
Total Expenses		**5,045,386**	**6,274,635**
Loss before Income Tax		(4,232,092)	(6,261,793)
Income Tax Expense		-	-
Total loss after tax attributable to the discontinued operations		**(4,232,092)**	**(6,261,793)**
Assets held for sale			
Cash and Equivalents	5	69,915	*1,363,273
Trade and Other Receivables	6	109,723	* 140,184
Prepaid Expenses and Deposits	7	95,890	* 113,487
Property and Equipment	9	272,781	* 809,469
Total Assets held for sale		**548,309**	**2,426,413**
Current liabilities relating to assets held for sale			
Trade and Other Payables	11	160,045	* 390,896
Loans Payable	12	82,466	* 84,983
Finance Lease Liability		15,622	-
Total Current liabilities relating to assets held for sale		**258,133**	**475,879**

The net cash flows of the discontinued operations which have been incorporated into the statement of cash flows are as follows:

Net cash inflow/outflow from operating activities	(3,512,124)	(5,523,622)
Net cash inflow/outflow from investing activities	(63,614)	(903,343)
Net cash inflow/outflow from financing activities	-	-
Net decrease in cash used in the discontinued operations	**(3,575,738)**	**(6,426,965)**

* These prior year balances have not been reclassified in the Consolidated Statement of Financial Position.

9. Property and equipment

The summary of the Group's property and equipment is as follows:

Cost	Furniture and Equipment	Computer Equipment	PP&E Design Studio	Leasehold Improvements	Leased Assets – Motor Vehicles	Total
	$	$	$	$	$	**$**
Costs						
Balance at 30 June 2015	-	35,045	-	-	-	**35,045**
Additions	152,759	106,177	200,675	331,706	-	**791,317**
Cumulative translation adjustment	(2,255)	12,429	3,629	9,308	-	**23,111**
Balance at 30 June 2016	150,504	153,651	204,304	341,014	-	**849,473**
Additions	32,348	-	-	-	28,367	**60,715**
Reclassification to Assets Held for Sale (Note 8)	(182,852)	(153,651)	(204,304)	(341,014)	(28,367)	**(910,188)**
Balance at 30 June 2017	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation						
Balance at 30 June 2015	-	2,608	-	-	-	**2,608**
Depreciation expense	17,193	20,629	-	-	-	**37,822**
Cumulative translation adjustment	-	(426)	-	-	-	**(426)**
Balance at 30 June 2016	17,193	22,811	-	-	-	**40,004**
Depreciation expense	35,337	52,112	54,431	170,960	4,744	**317,584**
Reclassification to Assets Held for Sale (Note 8)	(52,530)	(74,923)	(54,431)	(170,960)	(4,744)	**(357,588)**
Balance at 30 June 2017	**-**	**-**	**-**	**-**	**-**	**-**
Impairments						
Balance at 30 June 2016	**-**	**-**	**-**	**-**	**-**	**-**
Provision for Impairment	-	-	109,765	170,054	-	**279,819**
Reclassification to Assets Held for Sale (note 8)			(109,765)	(170,054)	-	**(279,819)**
Balance at 30 June 2017	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount						
Balance at 30 June 2016	133,311	130,840	204,304	341,014	-	**809,469**
Balance at 30 June 2017	**-**	**-**	**-**	**-**	**-**	**-**

Property and Equipment with a net book value of $272,781 relating to Kabuni Technologies Inc. and Kabuni Technologies (India) Private Limited, Limited which are expected to be disposed of post year end, have been excluded from the above and reclassified as held for sale as per note 8 to the financial statements.

10. Intangible Assets

On 31 January 2017, the Company acquired certain intangible assets of Design Campus, an online platform for members to subscribe to design courses that feature relevant training content, including courses accredited by both the Interior Design Continuing Education Counsel (IDCEC) and the Architects Institute of America (AIA) for $66,253 (US $50,000). The assets acquired include the Design Campus website, databases, internet domains and customer lists ("Intangible Assets").

At 30 June 2017, the Company impaired the value of Design Campus to $Nil but intends to develop the platform, with the immediate aim to increase brand recognition by providing additional content in order to drive new customers to the Design Campus site and convert current followers to paid customers.

The summary of the Group's Intangible Assets is as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Cost		
Balance at the beginning of the year	-	-
Additions	66,253	88,915
Cumulative translation adjustment		4,156
Balance at the end of the year	**66,253**	**93,071**
Amortisation		
Balance at the beginning of the year	-	-
Amortisation expense	(5,521)	-
Balance at the end of the year	**(5,521)**	**-**
Impairment		
Balance at the beginning of the year	-	-
Impairment of Intangible Assets	(60,732)	(93,071)
Balance at the end of the year	**(60,732)**	**(93,071)**
Balance at the end of the year	**-**	**-**

11. Trade and other payables

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Trade payables	29,181	125,026
Accruals	119,852	307,851
Other payables	-	1,282
	149,033	**434,159**

Trade payables are non-interest bearing and are normally settled on a 30-day basis. Other payables are non-interest bearing and have an average term of 30 days. All amounts are expected to be settled within twelve months.

Trade and other payables of $160,045 relating to Kabuni Technologies Inc. and Kabuni Technologies (India) Private Limited, which are expected to be disposed of post year end, have been excluded from the above and reclassified as held for sale as per note 8 to the financial statements. The prior year trade and other payables include $390,896 which relates to assets held for sale and discontinuing operations.

12. Loans payable

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Short term related party loan	-	84,983

The Company has received a series of short-term loans from a company owned by a now former director and officer of the Company. These loans accrued interest at 8% per annum, compounded annually. As at 30 June 2017, the Company had loans outstanding, including accrued interest of $82,466 (CAD$82,179) (30 June 2016 - $84,983 (CAD$82,179)). The loan was originally due on 30 June 2014, but subsequently was extended to 30 June 2015. The Company had provided a general security agreement over its assets to the lender.

On 30 June 2015, the Company entered into an amending agreement whereas the loan was extended an additional year and will mature on 30 June 2016. As per the agreement, the loan will no longer bear interest and the lender has released and discharged of all security that was previously held over the Company's assets.

During the year the Company entered into an additional amending agreement whereas the loan was extended a further additional year to 30 June 2017. Subsequent to the year end, the loan was further extended to 30 September 2017 and the amount due has been offset against TSA liabilities owing to the company from Print the Future Inc.

At 30 June 2017 the amount of $82,446, which is held by Kabuni Technologies Inc. has been excluded from the above and reclassified as held for sale as per note 8 to the financial statements.

13. Share capital

(a) Issued

	Consolidated 30 June 2017	Consolidated 30 June 2016
Issued capital	$	$
241,443,455 fully paid ordinary shares (30 June 2016: 130,309,175 shares)	**20,116,448**	**17,338,533**

	Consolidated 30 June 2017		Consolidated 30 June 2016	
	No.	$	No.	$
Balance at beginning of the balance year	**130,309,175**	**17,338,533**	**34,317,980**	**502,255**
Shares issued for private placement[1]	29,900,000	807,300	-	-
Shares issued for rights issue[2]	47,900,947	1,293,325	-	-
Shares issued for shortfall issue[2]	33,333,333	900,000	-	-
Shares issued by Kabuni Technologies Inc.	-	-	1,258,838	141,253
Elimination of existing Kabuni Technologies Inc. shares	-	-	(35,576,818)	-
Existing Kabuni Limited shares on acquisition	-	-	36,001,000	-
Shares issued immediately prior to the acquisition of Kabuni Technologies[5]	-	-	35,000,000	7,000,000
Issue of Kabuni Ltd shares on acquisition[5]	-	-	35,776,818	7,200,200
Shares issued on conversion of convertible debt[5]	-	-	15,523,810	1,420,000
Shares issued on settlement of payables[5]	-	-	2,800,001	560,000
Shares issued to advisors	-	-	4,057,547	811,509
Issuance of shares for services[4]	-	-	150,000	19,500
Shares issued to advisors	-	-	666,666	133,333
Shares issued to director[3]	-	-	333,333	65,000
Capital raising costs	-	(222,710)	-	(514,517)
Balance at end of the end of the year	**241,443,455**	**20,116,448**	**130,309,175**	**17,338,533**

1. On October 21, 2016, the Company completed a Private Placement and raised gross proceeds of $807,300. As part of the Private Placement, 14,950,000 free attaching options were issued, exercisable at $0.05 each on or before 30 June 2019 (Note 14(b)). There were no underwriting arrangements entered into as part of the Private Placement, however in connection with the Private Placement a cash fee of 6% of the funds raised pursuant to the Private Placement has been paid.

2. The Company completed a Rights Issue and Shortfall offer on 29 November 2016 and 13 December 2016, respectively, by issuing 81,234,280 ordinary shares for gross proceeds of $2,193,325. For every two new shares issued under the Rights and Shortfall Issue, one free attaching option was issued for a total of 40,617,146 options issued, exercisable at $0.05 each on or before 30, June 2019 (Note 14(b)). Both the Rights Issue and Shortfall Issue are subject to a cash fee of 6% of the funds raised.

3. During the year ended 30 June 2016, the Company issued 333,333 ordinary shares to a director of the Company for nil consideration. The Company recorded shares issued as consideration of $65,000 to reflect the fair value of the shares issued.

4. On March 1, 2016, the Company issued 150,000 ordinary shares to an advisor in consideration for services provided to the Company.

13. Share capital (continued)

5. On August 24, 2015, the Company completed the RTO transaction (Note 2). Concurrently with the RTO, the following transactions occurred:

- The Company completed a concurrent public offer ("Concurrent Financing") and issued 35,000,000 ordinary shares at $0.20 for gross proceeds of $7,000,000. The Company incurred share issuance costs of $513,713 in connection with the financing. As part of the Concurrent Financing, the Company issued 12,000,000 options to investors at a price of $0.005 per option for gross proceeds of $60,000 (note 12(b)).

- The Company issued 2,800,001 ordinary shares to certain creditors of Kabuni Tech. to settle outstanding debt. The fair value of the shares was $560,000 based on the share price of the Concurrent Financing.

- The Company issued 15,523,810 ordinary shares to holders of Kabuni Tech.'s convertible debt to settle outstanding debt. The fair value of the shares was $1,420,000 based on the share price of the Concurrent Financing.

(b) Shares repurchased

No shares have been repurchased in the year ended 30 June 2017.

(c) Escrow shares

As at 30 June 2017, the Company had 25,540,879 (30 June 2016 – 46,301,031) ordinary shares classified by the ASX as restricted securities which are being held in escrow. These shares will all be released from escrow on September 3, 2017. On July 2, 2016, 2,666,666 and on August 25, 2016, 18,093,486 ordinary shares were released from escrow.

14. Reserves

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Foreign currency translation reserve[1]	(41,777)	28,232
Share based payments reserve	282,867	119,383
Performance shares reserve[2]	4,013,049	4,013,049
	4,254,139	**4,160,664**

1. The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

2. The performance share reserve is used to record the value of Class A performance shares and Class B Performance Shares issued to certain Kabuni employees and the advisors based on the directors' assessment of the likelihood of the performance shares being converted to ordinary shares.

(a) Performance shares reserve

Performance Shares	Shares Outstanding	$
Class A	10,032,622	2,006,524
Class B	10,032,625	2,006,525
Class C	9,032,623	-
Class D	9,032,623	-
	38,130,493	**4,013,049**

	30 June 2017 $	30 June 2016 $
Balance at the beginning of the year	4,013,049	-
Performance shares issued - RTO transaction[1]	-	3,879,716
Performance shares issued - Directors[2]	-	133,333
Balance at the end of the year	**4,013,049**	**4,013,049**

1. During the year ended 30 June 2016, in connection with the RTO, the Company issued 37,463,827 performance shares to directors, employees and advisors of the Company for $nil consideration. The Company recorded a fair value of $3,879,716 in the performance shares reserve.

2. During the year ended 30 June 2016, the Company issued 666,666 performance shares to directors of the Company for $nil consideration. The Company recorded a fair value of $133,333 (using a fair value of performance share price of $0.20 per share) in the performance shares reserve.

The Company has reserved for issuance four classes of performance shares, which are to be converted to ordinary shares upon the successful completion of the following milestones:

a. Class A Performance Shares which will convert into one fully paid ordinary share upon:
   i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, on or before 30 August 2016; or

   ii. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $200 Revenue, each month for 3 consecutive months, and the Milestone D is also achieved, (Milestone A);

14. Reserves (continued)

b. Class B Performance Shares which will convert into one Share upon:
   i. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, on or before 31 December 2016; or

   ii. a minimum of 1,000 Registered Home Designers each achieve the CAD equivalent of at least $750 Revenue, each month for 3 consecutive months, and Milestone D is also achieved, and (Milestone B);

c. Class C Performance Shares which will convert into one Share upon:
   i. the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 months and has a minimum of 20,000 registered home designers, on or before December 1, 2017; or

   ii. the Company achieving the CAD equivalent of at least $20 million in revenue in any 12 months and has a minimum of 20,000 registered home designers, and Milestone D is also achieved, (Milestone C); and

d. Class D Performance Shares which will convert into one Share upon:
   i. the Company achieving the CAD equivalent of at least $50 million in revenue in any 12 months; and

   ii. a minimum of 35,000 Registered Home Designers on or before 30 June 2018, (Milestone D).

The amount recognized in the performance share reserve is the value of the performance shares issued to the Group's directors, employees and consultants based on management's assessment of the likelihood of the performance shares being converted to ordinary shares at date of grant of the performance shares. The performance shares are owned outright by their holders and do not lapse if employment ceases. As there is no specified service period, either implicit or explicit, attached to the performance shares, the performance share conditions are considered to be non-vesting.

Following review, management has subsequently determined that the above non-vesting conditions have not been met or are unlikely to be met. However, in line with accounting standards, the underlying share based payment expense has continued to be recognised.

14. Reserves (continued)

(b) Share based payments reserve

Type	Options Outstanding	Fair Value $
Listed – Placement options[1]	12,000,000	-
Listed – Free attaching options[2]	55,567,146	-
Listed – Placement options[2]	15,000,000	15,000
Unlisted	7,513,334	267,867
	90,080,480	**282,867**

Type	30 June 2017 $	30 June 2016 $
Balance at the beginning of the year	**119,383**	**-**
Employee, director, contractor and consultant share-based payments	129,515	112,532
Placement options	15,000	-
Supplier share-based payments	18,969	6,851
Balance at the end of the year	**282,867**	**119,383**

1. As part of the 24 August 2015 concurrent financing (Note 13(a) footnote 5), the Company issued 12,000,000 options, at an issue price of $0.005 per option, for a gross proceeds of $60,000. The options are exercisable at $0.30 within 3 years of issue. The gross proceeds were received by the Company prior to the completion of the RTO and were included in the cash and cash equivalents balance as part of the net assets acquired.

2. As part of the 21 October 2016 and the November 23, 2016 financing (Note 13(a) footnotes 1 and 2), the Company issued 70,567,146 options. Of this number, 55,567,146 were options issued to the subscribers of the financing. The remaining 15,000,000 were issued at a price of $0.001 per option for gross proceeds of $15,000.

15. Share based payments

Share based payment transactions recognized as operational expenses in the statement of profit or loss and other comprehensive income during the year ended 30 June 2017 were as follows:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Employee, director, contractor and consultant share based payments	129,515	112,532
Performance shares issued – directors	-	133,333
Ordinary Shares issued – directors	-	65,000
Ordinary Shares issued below fair value	-	154,333
Balance at the end of the year	**129,515**	**465,198**

15. Share based payments (continued)

i. Employee, director, contractor and consultant share based payments

The Company grants stock options from time to time in order to assist in the recruitment, reward, retention and motivation of employees, directors and consultants of Kabuni Limited. The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option. The table below summarizes options granted to employees, directors, contractors and consultants during the year ended 30 June 2017:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Expired / forfeited during the year	Balance at end of the year
17/03/16	31/03/19	$0.18	3,630,000	106,667	-	(1,723,333)	2,013,334
18/08/16	06/11/18	$0.13	-	150,000	-	-	150,000
18/08/16	31/10/18	$0.13	-	300,000	-	(100,000)	200,000
18/08/16	06/09/19	$0.13	-	650,000	-	(650,000)	-
18/08/16	12/05/19	$0.18	-	100,000	-	(100,000)	-
31/10/16	30/09/19	$0.05	-	1,475,000	-	(1,325,000)	150,000
29/11/16	30/06/19	$0.06	-	3,000,000	-	-	3,000,000
29/11/16	07/11/19	$0.03	-	2,500,000	-	(2,500,000)	-
29/11/16	07/11/19	$0.06	-	1,500,000	-	(1,500,000)	-
29/11/16	07/11/19	$0.09	-	1,500,000	-	(1,500,000)	-
09/12/16	31/03/19	$0.06	-	1,000,000	-	-	1,000,000
07/02/17	30/09/19	$0.05	-	250,000	-	(250,000)	-
10/02/17	30/09/19	$0.06	-	1,000,000	-	-	1,000,000
			3,630,000	**13,531,667**		**(9,648,333)**	**7,513,334**

On 17 March 2016, 3,630,000 stock options exercisable at the greater of (1) $0.18 and (2) the fair market value of the shares on the date of acceptance, provided that, for such purposes, the "fair market value" of the shares is defined as the average closing sale price of the shares on ASX over the 5 trading days immediately preceding the date of acceptance, on or before 30 June 2019 were granted to employees of the Group. The options had a vesting date of 3 September 2016 (being 12-months after the date of listing on the ASX). During the year ended 30 June 2016 560,001 options were forfeited.

15. Share based payments (continued)

i. Employee, director, contractor and consultant share based payments (continued)

Details of unlisted Options granted during the year are shown in the table below:

Number of Options granted	Fair value at grant date ($)	Expiry date	Vesting date
106,667	1,900	31/03/19	03/09/16
150,000	2,900	06/11/18	31/08/16, 20/09/16, 31/10/16
300,000	3,800	31/10/18	31/08/16, 20/09/16, 31/10/16
650,000	5,660	06/09/19	06/09/17
100,000	1,709	12/05/19	12/05/17
1,475,000	4,018	30/09/19	30/09/17
3,000,000	39,800	30/06/19	24/11/16
2,500,000	4,955	07/11/19	07/11/17
1,500,000	2,307	07/11/19	07/11/17
1,500,000	1,903	07/11/19	07/11/17
1,000,000	10,400	31/03/19	09/12/16
250,000	555	30/09/19	30/09/17
1,000,000	4,490	30/09/19	30/09/17
13,531,667	**Total Options granted**		

(i) <u>Weighted average remaining contractual life</u>
The weighted average remaining contractual life for the unlisted share Options outstanding as at 30 June 2017 is 1.91 years (2016: 2.04 years).

(i) <u>Weighted average fair value</u>
The weighted average fair value of the unlisted Options granted during the year was 0.62 cents

No director or director related entity will participate in this issue and shareholder approval is not required in order to issue the options.

The model inputs for options granted during the year ended 30 June 2017 included:

a) options were granted for no consideration;
b) expected life of options was 2 to 3 years;
c) share price at grant date was between $0.016 and $0.06
d) expected volatility was between 91.0% and 100.6%;
e) expected dividend yield of nil; and
f) a risk free interest rate of 1.40% to 1.92%

15. Share based payments (continued)

ii. Share-based payment to suppliers

On February 19, 2016, 2,500,000 stock options exercisable at $0.20 on or before 30 June 2017 were granted to a consultant for corporate advisory services rendered during the previous financial year and over the coming 12 months. The options will vest when the share price (based on a 20-day volume weighted average price) of the Company, as quoted by the ASX, reaches a level of $0.225. These options have been valued using the Black-Scholes option pricing model and are recognised as corporate advisory expenses in the statement of profit or loss and other comprehensive income.

Grant Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
19/02/16	30/06/17	$0.20	2,500,000	-	-	-	2,500,000	-[1]
			2,500,000	**-**	**-**	**-**	**2,500,000**	**-**

[1] These options did not vest by the vesting date of 30 June 2017.

16. Accumulated losses

	Consolidated 20 June 2017 $	Consolidated 30 June 2016 $
Movements in accumulated losses were as follows:		
Opening balance	(18,954,453)	(3,020,015)
Loss for the year	(5,104,387)	(15,934,438)
Closing balance	**(24,058,840)**	**(18,954,453)**

17. Segmented information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Company's primary segment is one business, being the development of a membership platform (Design Campus) within the Interior Design industry.

During the year ended 30 June 2017, the Company operated in the following geographic segments: Australia, USA, India and Canada.

(a) Revenue, interest and other income by geographical region

	30 June 2017 $	30 June 2016 $
Continuing Operations		
Australia	-	-
USA	5,473	-
Canada	-	12,842
India	-	-
Total revenue from continuing operations	**5,473**	**12,842**
Discontinued Operations		
Canada *	813,294	-
India	-	-
Total revenue from discontinued operations	**813,294**	-

* Included in the net loss from discontinued operations as shown in Note 8

17. Segmented information (continued)

(b) Loss by geographical region

	30 June 2017 $	30 June 2016 $
Continuing Operations		
Australia	(769,269)	(9,672,645)
USA	(103,026)	-
Canada	-	-
India	-	-
Total Loss from continuing operations	**(872,295)**	**(9,672,645)**
Discontinued Operations		
Canada *	(3,937,116)	(6,261,793)
India *	(294,976)	-
Total loss from discontinued operations	**(4,232,092)**	**(6,261,793)**

* Included in the net loss from discontinued operations as shown in Note 8

(c) Total assets by geographical region

	30 June 2017 $	30 June 2016 $
Continuing Operations		
Australia	170,154	637,474
USA	450	-
Canada	-	-
India	-	-
Total Assets from continuing operations	**170,604**	**637,474**
Discontinued Operations		
Canada *	482,831	2,426,413
India *	65,478	-
Total Assets from discontinued operations (Assets held for sale)	**548,309**	**2,426,413**

* Included in assets held for sale as shown in Note 8

18. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the loss and share data used in the total operations basic and diluted earnings per share computations:

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Loss used in calculating basic and dilutive EPS	(5,104,387)	(15,934,438)
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic loss per share:	197,214,750	115,728,879
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	197,214,750	115,728,879

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements. As the Company is loss making, there is no diluted EPS calculated.

19. Related parties

(a) Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Group as a whole. The compensation made to directors and other members of key management personnel of the Group Subsidiaries during the year ended 30 June 2017 is set out below:

	30 June 2017 $	30 June 2016 $
Salary and Employee benefits	821,430	816,655
Non-monetary benefits	-	40,020
Other employee expense (superannuation)	4,275	15,229
Share based payments	60,310	245,669
Total	**886,015**	**1,117,573**

(b) Related parties

At 30 June 2017, there was $60,226 directors' fees owing (30 June 2016 - $12,500) included in trade and other payables.

At 30 June 2017, there was $9,091 receivable from a former officer and director of the Company (30 June 2016 - $10,156). This amount is included in assets held for sale (note 8) as at 30 June 2017.

At 30 June 2017, there was $841,697 owing from Print the Future Inc., a company controlled by a former officer and director of the Company. This amount relates to the TSA agreement signed between both parties (note 24). At 30 June 2017, a provision of $768,322 has been made against this amount. All amounts have been reclassified as held for sale as per note 8 of the financial statements.

19. Related parties (continued)

(c) Loans to/from related parties

There were no loans made to directors of Kabuni and other key management personnel of the Group during the year. At 30 June 2017, Kabuni Technologies, Inc. has a loan outstanding, including accrued interest, of $82,466 (30 June 2016 - $84,983) owing to a company controlled by a former officer and director of the Company (Note 12) with a balance of $82,466 included in assets held for sale (note 8) as at 30 June 2017.

20. Commitments

The company has no Operational, Capital, Finance or Termination Payment commitments as at 30 June 2017. Any commitments at 30 June 2017 and subsequent to 30 June 2017 are the responsibility of Print the Future Inc.

21. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

22. Remuneration of Auditors

	Consolidated 30 June 2017 $	Consolidated 30 June 2016 $
Audit and review of the financial statements (parent company auditors)	76,818	43,632
Subsidiary company auditors (not related to parent company auditor)	7,500	100,103
Total	**84,318**	**143,735**

The auditor of the Group is Stantons International Audit and Consulting Pty Ltd.

23. Subsidiaries

Details of the Company's subsidiaries at the end of the reporting year are as follows:

		Percentage owned	
	Country of incorporation	30 June 2017	30 June 2016
Kabuni Technologies Inc.	Canada	100%	100%
Stirling Minerals Pty Limited	Australia	100%	100%
Kabuni Technologies (India) Private Limited	India	100%	100%
Kabuni USA, Inc.	USA	100%	100%

24. Subsequent Events

The sale and purchase agreement SPA entered into with Print the Future, Inc. on 1 May 2017 was further amended on 30 June 2017, with final terms summarised as:-

- PTF agrees to acquire from the Kabuni all of the issued and outstanding shares of capital stock of the Sale Corporations (the "Shares"), for a purchase price of Australian Dollars ("AUD") $4,500,000 (the "Purchase Price");

- In part payment of the Purchase Price, PTF will deliver to the Company a convertible promissory note, in a principal amount that shall equal the total amounts outstanding under the Temporary Services Agreement dated as of 3 April 2017 between PTF and KTI (the "TSA"), including accrued interest, as at 30 June 2017 (the "TSA Note"). The TSA Note will not accrue interest before default. After default, it will bear interest of 22% per annum (as per existing note terms).

- The TSA Note will be repayable as follows: (a) $150,000 on 15 July 2017 (b) $175,000 on 15 August 2017, and (c) the balance and all accrued and unpaid interest on 15 September 2017. 100% of any capital raised by PTF must be applied to the fixed repayments on the dates set forth above. In addition, 50% of any capital raised by PTF in excess of $750,000 must be applied to the repayment of the TSA Note within 3 business days of being received. The note will be convertible and secured on the same terms as the Purchase Note (see item 3, below).

Under the Note, PTF has the right to elect to partially repay the Note through the forgiveness of all or part of a loan due to a company by PBT. PTF, PBT and the Company entered into an agreement effective 15 August 2017, pursuant to which PBT has forgiven an amount of CAD$26,211.99, being the outstanding balance of the loan due to PBT, and the loan has been terminated and fully released. As a result, each of the Company and PTF have agreed that an amount of AUD$26,196.27 is deemed repaid in respect of the Note, with effect as of August 15, 2017.

A balance of AUD$148,803.73 remained due and payable as the first Note repayment on 15 August 2017. PTF failed to pay such amount and accordingly the Company provided PTF with formal notice than an event of default has occurred under the Note, confirming that the Company has not waived the default and expressly reserving all of the Company's rights, powers, privileges and remedies under the Note, applicable law or otherwise.

On 15 September 2017, the remaining balance of the Note became due and payable by PTF, being an amount of A$518,900.22. PTF has failed to pay such amount when due. Accordingly, the Company has provided PTF with a further formal notice that an event of default has occurred under the Note, confirming that the Company has not waived the default and expressly reserving all of the Company's rights, powers, privileges and remedies under the Note, applicable law or otherwise.

As at the date hereof, the total unpaid principal amount outstanding under the Note is $667,703.95 (which amount accrues default interest at the rate of 22% per annum). Provided that the shareholders approve the PTF Transaction at the Meeting and that completion occurs, PTF will, on completion and in consideration for the purchase, issue a further convertible promissory note to the Company in the amount of approximately A$3.7 million, which further note is repayable on 30 November 2017.

As a result of PTF's default, the Company continues to have the right (not the obligation) to terminate the Amended SPA with PTF. The Board considers that at this stage it is in the best interests of the Company to continue to proceed with the proposed transaction with PTF and to allow shareholders to consider the transaction at the Meeting on the 16 October 2017. If shareholders decide to approve the PTF Transaction, it is anticipated that completion will occur on or before 31 October 2017.

25. Income Tax

(a) Income tax expense

	30 June 2017 $	30 June 2016 $
Major component of tax expense for the year:		
Current tax	-	-
Deferred tax	-	-
	-	-

25. Income Tax (continued)

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate.

	30 June 2017 $	30 June 2016 $
A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:		
Loss from continuing operations before income tax expense	(5,104,387)	(15,934,438)
Tax at the Australian rate of 27.5% (2016: 30%)	(1,403,707)	(4,780,332)
Income tax rate differential / change in statutory rate	4,889	187,854
Tax effect of amounts not deductible in calculating taxable income	133,213	84,383
Other deductible items	-	2,665,770
Income tax benefit not brought to account	1,265,605	1,842,325
Income tax expense	-	-

(c) Unrecognised deferred tax assets arising on timing difference and losses

No deferred tax assets have been bought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The benefit for tax losses will only be obtained if:

i. the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
ii. the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
iii. no changes in tax legislation in Australia adversely affect the Company in realising the benefit from the deductions for the losses.

At 30 June 2017, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability for additional taxation should such amounts be remitted.

26. Parent Entity Information

The following details information related to the parent entity, Kabuni Limited, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 4.

	30 June 2017 $	30 June 2016 $
Current assets	460,711	631,538
Total assets	**460,711**	**2,651,149**
Current liabilities	(148,920)	(43,265)
Total liabilities	**(148,920)**	**(43,265)**
Net assets	**311,791**	**2,607,884**
Issued capital	24,818,301	22,040,386
Reserves	751,955	588,472
Accumulated losses	(25,258,465)	(20,020,974)
Total Equity	**311,791**	**2,607,884**
Loss of the parent entity	5,237,491	(17,557,879)
Other comprehensive income for the year	-	-
Total comprehensive loss of the parent entity	**5,237,491**	**(17,557,879)**

27. Parent Entity Information (continued)

There are no known commitments, contingent assets or liabilities as at 30 June 2017 in the parent entity (2016: nil).

Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiary.

28. Financial Instruments and Risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to their short-term nature. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs. The Company is exposed to varying degrees to a variety of financial instrument related risks:

(a) Foreign Exchange Risk
Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at June 30, 2017, the Company is exposed to foreign currency risk through its subsidiary, Kabuni Technologies Inc., Kabuni Technologies (India) Private Limited and Kabuni USA. which are denominated in CAD, INR and USD respectively.

(b) Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at June 30, 2017, the Company is not exposed to any significant credit risk.

(c) Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest expense on loans payable and interest income on term deposits. The Company has debt instruments at fixed rates and is therefore not exposed to risk in the event of interest rate fluctuations. As at June 30, 2017, the Company is not exposed to any significant interest rate risk. At 30 June 2017, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

28. Financial Instruments and Risk (continued)

	Interest Rate	Floating	Fixed	Non Bearing	Total
Westpac Cheque	0.00%		-	4,047	4,047
Westpac Cash Reserve	0.01%	234	-	-	234
Westpac Cash Reserve	0.60%	129,621	-	-	129,621
HSBC India	0.00%	-	-	35,845	35,845
Cash on Hand	0.00%	-	-	1,976	1,976
HSBC USA	0.00%	-	-	449	449
HSBC current accounts	0.00%	-	-	1,538	1,538
RBC current accounts	0.00%	-	-	26,678	26,678
RBC credit card	20.00%	(11,121)	-	-	(11,121)
RBC GIC	0.50%	15,000	-	-	15,000
Total Cash *		**133,734**	**-**	**70,533**	**204,267**

0.50%		**0.25%**	
Profit	Equity	Profit	Equity
485	485	242	242

	Interest Rate	Floating	Fixed	Non Bearing	Total
Trade and other receivables *	0.00%			114,625	114,525
Deposits *	0.00%			85,664	85,664
Trade and other payables (excl. provisions) *	0.00%			286,242	286,242
Loan payable *	0.00%			82,466	82,466
Finance lease *	0.00%		15,622		15,622

* Including balances classified as held for sale

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of ordinary shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

29. Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 30 June 2017 (2016: nil).

30. Dividends

No dividend was paid or declared by the Company in the year ended 30 June 2017 or the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2017.

Directors Declaration

In accordance with a resolution of the Directors of Kabuni Limited, I state that:

1. In the opinion of the Directors:

   a) the financial statements and notes of Kabuni Limited for the year ended 30 June 2017 are in accordance with the Corporations Act 2001, including:

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

      ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 3 (a).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

Stuart Carmichael
Non-Executive Chairman

Perth, Western Australia
29 September 2017

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29 September 2017

The Directors
Kabuni Limited
Ground Floor, 16 Ord Street
WEST PERTH WA 6005

Dear Sirs

RE: KABUNI LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kabuni Limited.

As Audit Director for the audit of the financial statements of Kabuni Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KABUNI LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kabuni Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of 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:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 1 to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2017, the Group had net assets of $311,747, cash and cash equivalents of $204,267 (including cash and cash equivalents classified as held for sale of $69,915) and a net working capital surplus of $311,747. The Group had incurred a loss for the year ended 30 June 2017 of $5,104,387.

The ability of the Group to continue as a going concern and meet its administration and other commitments is dependent upon the Group raising further working capital, commencing profitable operations or the successful completion of the sale of the Group's operating subsidiaries to Print the Future, Inc.. In the event the Group is unable to raise further working capital and/or commence profitable operations and/or successfully conclude the sale of its operating subsidiaries to Print the Future, Inc., the Group may not be able to meet its liabilities as they fall due, or realise its assets at their stated values.

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter below to be a Key Audit Matter communicated in our report.

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 Matters	How the matter was addressed in the audit

Share Based Payments

The Company granted and issued options to directors, employees, contractors, consultants and service providers during the year. In addition, a number of options were forfeited, lapsed or were cancelled during the year.

Share based payments is a key audit matter due to:

- the quantum of transactions having been effected during the year;
- the complexities involved in recognition and measurement of these instruments; and
- the detailed disclosures required in the remuneration report and financial report.

We have spent significant audit effort on ensuring share-based payments were appropriately valued, accounted for and disclosed in accordance with AASB 2 *Share-Based Payment* (“AASB 2”).

Inter alia, our procedures included the following:

i. Obtain an understanding of the underlying transactions.

ii. Verifying all option movements to the relevant ASX announcement and option register;

iii. Re-performing the option valuations using the Black-Sholes Valuation Models and assessed the assumptions used (volatility, interest rates etc.);

iv. Recalculation of the share based payment expense to ensure the fair-value of options was appropriately charged over the vesting period and allocated to the correct expense accounts in accordance with AASB 2;

v. Verifying the expense related to unvested forfeited/lapsed options was reversed out in accordance with AASB 2 and that the cancellations/lapses were reflected accurately in the option records; and

vi. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation.

Assets Held For Sale and Discontinued Operations

During the year, the Company entered into a Share Purchase Agreement (“Agreement”) for the sale of all the shares in the in the Company’s operating subsidiaries to Print the Future, Inc. (“the Sale”). As a result, all the assets and liabilities of the operating subsidiaries have been classified as assets held for sale (or liabilities related to assets held for sale), and their results have been classified and reported as discontinued operations (refer to Note 8 of the financial report).

Assets Held For Sale and Discontinued Operations is a key audit matter due to:

- the classification of the operating subsidiaries as discontinued operations requires compliance with the measurement and disclosure provisions of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (“AASB 5”).

Inter alia, our audit procedures included the following:

i. Inspection of the preceding Letter of Intent, the underlying Agreement and subsequent amendments pertaining to the Sale, and held discussions with management to determine the effective date the Sale became highly probable;

ii. Verification that any required fair value adjustments were made and appropriately accounted for;

iii. Verification that all operating subsidiary asset and liability balances at balance date were appropriately summarised and reclassified as assets held for sale (or liabilities related to assets held for sale) and that the operating subsidiaries’ profit and loss items for the year were appropriately summarised and reclassified under loss from discontinued operations; and

iv. Ensuring appropriate disclosure was made in the financial statements relating to discontinued operations as required by AASB 5.

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.

We 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.

We 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 consolidated financial report of the current period and are therefore 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

We have audited the Remuneration Report included in pages 8 to 17 of the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
29 September 2017

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 29 September 2017.

Quoted Securities – Fully Paid Ordinary Shares

There is one class of quoted securities, being fully paid ordinary shares.

a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	52	1,867
1,001 – 5,000	23	90,219
5,001 – 10,000	10	77,758
10,001 – 100,000	266	9,476,166
100,001 and over	287	231,797,445
Total	**638**	**241,443,455**

There are 638 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel

There are 411 shareholders with less than a marketable parcel (basis price $0.004), being 16,031,124 shares.

c) Voting rights

On a show of hands every person present who is a member or a proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or a proxy, attorney or representative of a member shall have one vote for each share held

d) Substantial Shareholders

There was 1 substantial shareholders listed on the Companies register as at 29 September 2017, holding 19,950,000 fully paid ordinary shares, being 8.26% of the fully paid ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options.

KABUNI LTD
ASX Additional Information

Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity		Number of Ordinary Shares	% of Issued Capital
1	MR NEIL PATEL		19,950,000	8.26%
2	J & J BANDY NOMINEES PTY LTD	<J & J BANDY SUPER FUND A/C>	12,000,000	4.97%
3	MR DAVID CHARLES NEESHAM &	MRS PAMELA CHRISTINE NEESHAM	11,000,000	4.56%
4	SEVENTY THREE PTY LTD	<KING SUPER FUND NO 3 A/C>	9,742,000	4.03%
5	MR STEVEN JOHN PEARCE		8,333,829	3.45%
6	MS MERLE SMITH &	MS KATHRYN SMITH	6,299,999	2.61%
7	MR BRETT ALEXANDER HAWLEY		4,971,852	2.06%
8	MR JEREMY STUART	KLOISER-JONES	4,086,616	1.69%
9	MS NICOLE GALLIN &	MR KYLE HAYNES	4,000,000	1.66%
10	CELTIC CAPITAL PTY LTD	<THE CELTIC CAPITAL A/C>	3,948,654	1.64%
11	FLOURISH SUPER PTY LTD	<FLOURISH S/F A/C>	3,703,704	1.53%
12	MR DAVID JASON BOURKE		3,165,184	1.31%
13	FENWAY INVESTMENTS PTY LTD	<BASES LOADED SUPER FUND A/C>	3,134,185	1.30%
14	MR PETER MILES-MACKAY		3,010,000	1.25%
15	REDIMA PTY LTD		3,000,000	1.24%
16	MR NICK JOHNSTON		2,851,851	1.18%
17	SHARPE SERVICES PTY LTD	<SHARPE SUPER FUND A/C>	2,775,000	1.15%
18	STRATA NOMINEES PTY LTD	<THE C & C BONTEMPO S/F A/C>	2,500,000	1.04%
19	MR BRIAN BRADFORD	<BRADFORD FAMILY A/C>	2,300,000	0.95%
20	MR PETER DAVIES		2,207,408	0.91%
	Total		**112,980,282**	**46.79%**

There are 2 classes of listed options:-

- 70,567,146 options, exercisable at 5 cents expiring on 30 June 2019 (ASX:KBUOA)
- 12,000,000 options, exercisable at 30 cents expiring on 25 August 2018 (ASX:KBUOB)

Quoted Securities – Listed Options (ASX:KBUOA)
a) Distribution of Security Number

Category (Size of holding)	Option holders	Options
1 – 1,000	1	25
1,001 – 5,000	2	3,500
5,001 – 10,000	5	40,900
10,001 – 100,000	68	3,947,561
100,001 and over	111	66,575,160
Total	**187**	**70,567,146**

Top Optionholders (ASX:KBUOA)

Number	Shareholder Name / Entity		Number of Options	% of total KBUOA options on issue
1	J & J BANDY NOMINEES PTY LTD	<J & J BANDY SUPER FUND A/C>	3,660,000	5.19%
2	MS MERLE SMITH &	MS KATHRYN SMITH	3,549,167	5.30%
3	MR BRETT ALEXANDER HAWLEY	1/291 WEST COAST HIGHWAY	3,180,114	5.02%
4	MS NICOLE GALLIN &	MR KYLE HAYNES	3,000,000	4.99%
5	CRB INVESTMENTS (WA) PTY LTD	C/-ALTO CAPITAL	2,270,620	3.97%
6	LONHRO (WA) PTY LTD	<LONHRO A/C>	2,250,991	4.10%
7	SEVENTY THREE PTY LTD	<KING SUPER FUND NO 3 A/C>	2,135,500	4.06%
8	FLOURISH SUPER PTY LTD	<FLOURISH S/F A/C>	1,851,852	3.67%
9	FENWAY INVESTMENTS PTY LTD	BASES LOADED SUPER FUND A/C	1,567,092	3.22%
10	ALITIME NOMINEES PTY LTD	<HONEYHAM FAMILY A/C>	1,540,333	3.27%
11	MR MARTIN MUSIC	8 WOODVALE CRT	1,500,050	3.29%
12	MR KYLE BRADLEY HAYNES	14 WALTER STREET	1,500,000	3.40%
13	RICHSHAM NOMINEES PTY LTD	137 STONEHAM ROAD	1,489,286	3.50%
14	MR CLARKE COLIN BARLOW	19 ELECTRA STREET	1,353,789	3.30%
15	REDIMA PTY LTD	4/16 THE AVENUE	1,200,000	3.02%
16	MR PETER DAVIES	25 GOLDSMITH ROAD	1,103,704	2.87%
17	MR CHRISTOPHER WILLIAMS	19 NELLINGS PLACE	1,000,022	2.67%
18	GALLIN CONSULTING PTY LTD	PO BOX 433	1,000,000	2.75%
19	MERRILL LYNCH (AUSTRALIA)	NOMINEES PTY LIMITED	1,000,000	2.82%
20	PHEAKES PTY LTD	<SENATE A/C>	1,000,000	2.91%
			37,152,520	**73.30%**

KABUNI LTD
ASX Additional Information

Quoted Securities – Listed Options (ASX:KBUOB)
Distribution of Security Number

Category (Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	11	77,512
10,001 – 100,000	35	1,073,332
100,001 and over	27	10,859,156
Total	**72**	**12,000,000**

Top Optionholders (ASX:KBUOB)

Number	Shareholder Name / Entity		Number of Options	% of total KBUOB options on issue
1	MR COLIN ANTHONY BARLOW &	MRS CHRISTINE ATHINA BARLOW	1,300,000	10.8%
2	MR STEVEN JOHN PEARCE		1,300,000	10.0%
3	LONHRO (WA) PTY LTD	<LONHRO A/C>	1,200,000	6.1%
4	MR BRETT ALEXANDER HAWLEY		730,005	6.0%
5	CHRISTINE BARLOW		720,000	5.0%
6	MR BRETT ALEXANDER HAWLEY		600,000	4.2%
7	CPG INVEST PTY LTD	<CHRISTIAN GANIM FAMILY A/C>	500,000	4.2%
8	NINETY THREE PTY LTD	<ONE MILE S/F A/C>	500,000	4.2%
9	J & J BANDY NOMINEES PTY LTD	<J & J BANDY SUPER FUND A/C>	500,000	4.2%
10	SEEFELD INVESTMENTS PTY LTD	<SEEFELD A/C>	500,000	3.5%
11	MR CAMERON ROSS BOLTON		415,000	2.4%
12	MR ROY DAVID MESSER		293,813	2.3%
13	HUA HIN CAPITAL PTY LTD	<CR BOLTON SUPER FUND A/C>	277,500	2.1%
14	MR JACKIE YEUNG		250,000	1.8%
15	DOMRAN INVESTMENTS PTY LTD		210,000	1.7%
16	MRS ALTHEA HAWLEY		200,000	1.6%
17	MS SHARMILA ANN LAWTON		197,838	1.3%
18	FIVE STAR TRADING PTY LTD	<PEARCE SUPER FUND A/C>	150,000	1.3%
19	STOW COURT PTY LTD	<RM & JP BOLTON S/F A/C>	150,000	1.2%
20	SHADWICK NOMINEES PTY LTD	<MICHAEL EDWARDS A/C>	140,000	1.0%
	Total		**10,134,156**	**84.5%**

Unquoted Securities – Company Options

a) Distribution of unquoted Options holder numbers

Category (Size of holding)	Ordinary Options Optionholders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	8	570,000
100,001 and over	14	6,943,334
Total	**22**	**7,513,334**

b) Voting rights

Unlisted options do not entitle the holder to any voting rights.

Performance Shares

Distribution of Performance Share holders

Category (Size of holding)	Number of holders	Performance Shares
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	25	38,130,493
Total	**25**	**38,130,493**

Top Performance Share Holders

Number	Shareholder Name / Entity		Number of Options	% of total KBUOB options on issue
1	MR COLIN ANTHONY BARLOW &	MRS CHRISTINE ATHINA BARLOW	1,300,000	10.8%
2	MR STEVEN JOHN PEARCE		1,300,000	10.0%
3	LONHRO (WA) PTY LTD	<LONHRO A/C>	1,200,000	6.1%
4	MR BRETT ALEXANDER HAWLEY		730,005	6.0%
5	CHRISTINE BARLOW		720,000	5.0%
6	MR BRETT ALEXANDER HAWLEY		600,000	4.2%
7	CPG INVEST PTY LTD	<CHRISTIAN GANIM FAMILY A/C>	500,000	4.2%
8	NINETY THREE PTY LTD	<ONE MILE S/F A/C>	500,000	4.2%
9	J & J BANDY NOMINEES PTY LTD	<J & J BANDY SUPER FUND A/C>	500,000	4.2%
10	SEEFELD INVESTMENTS PTY LTD	<SEEFELD A/C>	500,000	3.5%
11	MR CAMERON ROSS BOLTON		415,000	2.4%

12	MR ROY DAVID MESSER		293,813	2.3%
13	HUA HIN CAPITAL PTY LTD	<CR BOLTON SUPER FUND A/C>	277,500	2.1%
14	MR JACKIE YEUNG		250,000	1.8%
15	DOMRAN INVESTMENTS PTY LTD		210,000	1.7%
16	MRS ALTHEA HAWLEY		200,000	1.6%
17	MS SHARMILA ANN LAWTON		197,838	1.3%
18	FIVE STAR TRADING PTY LTD	<PEARCE SUPER FUND A/C>	150,000	1.3%
19	STOW COURT PTY LTD	<RM & JP BOLTON S/F A/C>	150,000	1.2%
20	SHADWICK NOMINEES PTY LTD	<MICHAEL EDWARDS A/C>	140,000	1.0%
	Total		**10,134,156**	**84.5%**

OTHER ASX INFORMATION

Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Stock Exchange (ASX:KBU).

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash in the current year in a way consistent with its stated business objectives.