

1. Company details

ABN:	55 141 509 426
Reporting period:	For the year ended 30 June 2015
Previous period:	For the year ended 30 June 2014

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	down	8.6%	to	456
Loss from ordinary activities after tax attributable to the owners of iWebGate Limited	up	292.9%	to	(7,422)
Loss for the year attributable to the owners of iWebGate Limited	up	292.9%	to	(7,422)

Dividends

No dividends have been declared for the year ended 30 June 2015 or for the previous corresponding period.

Comments

On 5 December 2014 iWebGate Limited (formerly My ATM Holdings Limited) completed the acquisition of iWebGate Technology Limited and its controlled subsidiaries ("iWebGate Group"). Under the Australian Accounting Standards iWebGate Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which iWebGate Group acquired the net assets and listing status of iWebGate Limited.

Accordingly the consolidated financial statements of iWebGate Limited have been prepared as a continuation of the business and operations of iWebGate Group. As the deemed acquirer, iWebGate Group has accounted for the acquisition of iWebGate Limited from 5 December 2014. The comparative information presented is that of iWebGate Group as presented in its last set of year-end audited financial statements.

The net loss for the consolidated entity amounted to \$7,421,847 (30 June 2014 \$1,889,175). The loss for the year includes a one off non-cash expense of \$1,057,229 from the Australian Accounting Standards treatment of the acquisition of the iWebGate Group, a one off cost of \$200,000 for the issue of facilitation shares, plus one off associated acquisition costs of \$746,531.

The financial position of the consolidated entity depends on sales from the commercialisation of the networking and internet security systems. The networking and internet security industry is a fast moving industry and the rate of technological change is significant. The main risk for the consolidated entity, and therefore the focus of management, is sales from the commercialisation of the networking and internet security systems.

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>0.01</u>	<u>(26.28)</u>

4. Control gained over entities

Name of entities (or group of entities)	iWebGate Technology Pty Ltd and its controlled subsidiaries iWebgate APAC Pty Ltd, iWebGate Corp, and Ghost Network Inc
Date control gained	4 December 2014

5. Loss of control over entities

None

6. Details of associates and joint venture entities

None

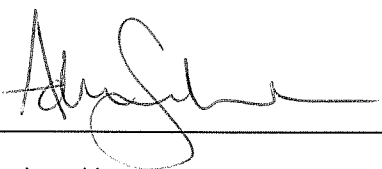
7. Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

8. Attachments

The Annual Report of iWebGate Limited for the year ended 30 June 2015 is attached.

9. Signed

Signed 

Adam Sierakowski
Director

Date: 31 August 2015



iWebGate Limited
(Formerly My ATM Holdings Ltd)

ABN 55 141 509 426

Annual Report - 30 June 2015

Directors	Mr Adam Sierakowski - Chairman Mr Tim Gooch - Chief Executive Officer Mr Mark Harrell - Managing Director Asia Pacific
Company secretary	Nicki Farley
Registered office	Level 24 44 St Georges Terrace Perth WA 6000 Australia
Principal place of business	Ground Floor 14 Ventnor Avenue West Perth WA 6005 Australia
Share register	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000 Australia
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Australia
Solicitors	Price Sierakowski Pty Ltd Level 24 44 St Georges Terrace Perth WA 6000 Australia
Bankers	Westpac Banking Corporation 7 & 9A Queen St Fremantle WA 6160
Stock exchange listing	iWebGate Limited shares are listed on the Australian Securities Exchange (ASX code: IWG)
Website	www.iwebgate.com

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of iWebGate Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

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

Adam Sierakowski
Timothy Gooch (appointed 10 December 2014)
Mark Harrell (appointed 10 December 2014)
KC Ong (resigned 10 December 2014)
Richard Wolanski (resigned 10 December 2014)

Principal activities

iWebGate has developed patented software that increases the security and functionality for the transfer of information. Its software is next generation, award winning security which significantly reduces the costs, complexity and risk of making network services available externally.

Dividends

No dividends have been declared for the year ended 30 June 2015 or for the previous corresponding period.

Review of operations

The net loss for the consolidated entity amounted to \$7,421,847 (30 June 2014 \$1,889,175). The loss for the period includes a one off non-cash expense of \$1,057,229 from the Australian Accounting Standards treatment of the acquisition of the iWebGate, a one off cost of \$200,000 for the issue of facilitation shares, plus one off associated acquisition costs of \$746,531. The loss also includes \$3,991,632 development and commercialisation expenses and \$1,078,647 sales and marketing expenses.

Significant changes in the state of affairs

On 5 December 2014 iWebGate Limited (formerly My ATM Holdings Limited) completed the acquisition of iWebGate Technology Limited and its controlled subsidiaries ("iWebGate Group"). Under the Australian Accounting Standards iWebGate Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which iWebGate Group acquires the net assets and listing status of iWebGate.

Accordingly the consolidated financial statements of the iWebGate Limited Group have been prepared as a continuation of the business and operations of iWebGate Group. As the deemed acquirer iWebGate Group has accounted for the acquisition of iWebGate Limited from 5 December 2014. The comparative information presented in the consolidated financial statements is that of iWebGate Group as presented in its last set of year-end audited financial statements.

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

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

iWebGate is looking to significantly increase the commercialisation of its products via engaging strategic channel partners and key customers plus increasing its marketing activities.

Environmental regulation

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

Information on directors

Name: Adam Sierakowski
Title: Non-Executive Chairman
Qualifications: BSc, MBA
Experience and expertise: Mr Sierakowski is a lawyer and director of the legal firm Price Sierakowski. He has over 18 years of experience in legal practice, much of which he spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. He is a member of the Australian Institute of Company Directors and the Association of Mining Exploration Companies.

Other current directorships: Kinetiko Energy Limited (appointed on 8 December 2010), Coziron Resources Limited (appointed on 21 October 2010), ResApp Health Limited (appointed on 16 May 2013), Flexiroam Limited (appointed on 18 March 2015), Trident Management Services Pty Ltd and Trident Capital Pty Ltd

Former directorships (last 3 years): None other than current directorships included above
Special responsibilities: None
Interests in shares: 12,625,000
Interests in options: None
Contractual rights to shares: None

Name: Tim Gooch
Title: Chief Executive Officer
Qualifications: BSc
Experience and expertise: Before founding iWebGate in 2004, Mr Gooch had 10 years' experience as an entrepreneur with expertise in designing software and owned and operated healthcare and software development companies. As a founding partner of iWebGate his experience and responsibilities included strategic and innovative design concepts, overseeing research and development projects, business plan, marketing and sales strategy, overseeing corporate policies and commercial transactions, investor relations, and strategic partner alliances

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 84,138,951
Interests in options: None
Contractual rights to shares: None

Name: Mark Harrell
Title: Managing Director (Asia Pacific)
Qualifications: Systems Engineer
Experience and expertise: Before joining iWebGate in 2005, Mr Harrell had over 10 years' experience as a Chief Information Officer for a global company iWorldMark Pty Ltd. Previous experience includes managing online education programs throughout Asia and developing sophisticated automated finance programs in both Australia and South Africa. Mr Harrell also has strong business intelligence and information systems experience along with operational and project management skills.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 25,087,992
Interests in options: None
Contractual rights to shares: None

Name: Richard Wolanski (resigned 10 December 2014)
 Title: Non-Executive Director
 Qualifications: B.Com, ACA
 Experience and expertise: Mr Richard Wolanski, is a Chartered Accountant and has extensive professional experience in both Australia and international finance industries. He has provided corporate, strategic and financial advisory assistance to public companies in Australia, Singapore and the United Kingdom.
 Other current directorships: Not applicable as no longer a director
 Former directorships (last 3 years): Not applicable as no longer a director
 Special responsibilities: Not applicable as no longer a director
 Interests in shares: Not applicable as no longer a director
 Interests in options: Not applicable as no longer a director
 Contractual rights to shares: Not applicable as no longer a director

Name: KC Ong (resigned 10 December 2014)
 Title: Non-Executive Director
 Qualifications: BComm, CPA
 Experience and expertise: Mr KC Ong is an alumni from Deakin University, Victoria, holding a Bachelor of Commerce degree and is Certified Practicing Accountant. Mr Ong has over 25 years of diverse experience in financial management and business advisory to corporations in Australia and South-East Asia.
 Other current directorships: Not applicable as no longer a director
 Former directorships (last 3 years): Not applicable as no longer a director
 Special responsibilities: Not applicable as no longer a director
 Interests in shares: Not applicable as no longer a director
 Interests in options: Not applicable as no longer a director
 Contractual rights to shares: Not applicable as no longer a director

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

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

Company secretary

Ms Nicki Farley holds a Bachelor of Laws and Arts from the University of Western Australia and has over 10 years of experience working within the corporate advisory area providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley has also held a number of company secretarial roles for ASX listed companies.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Adam Sierakowski	4	4
Timothy Gooch	4	4
Mark Harrell	4	4
KC Ong	0	0
Richard Wolanski	0	0

Held: represents the number of meetings held during the time the director held office. The Board of Directors also approved eight (8) circular resolutions during the year ended 30 June 2015 which were signed by all Directors of the Company.

The Audit and Risk Committee did not hold any meetings during the financial year.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

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

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Directors' may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Fees for non-executive directors are not linked to the performance of the Company. Non-executive directors do not currently receive share options or other incentives. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and may be granted options in the future.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility. Remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations. Executives may receive their remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

No remuneration consultants were engaged during the year.

Voting and comments made at the company's 2014 Annual General Meeting ('AGM')

At the 2014 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the consolidated entity consisted of the following directors of iWebGate Limited:

- Adam Sierakowski
- Timothy Gooch (appointed 10 December 2014)
- Mark Harrell (appointed 10 December 2014)
- KC Ong (resigned 10 December 2014)
- Richard Wolanski (resigned 10 December 2014)

On 5 December 2014 iWebGate Limited (formerly My ATM Holdings Limited) completed the acquisition of iWebGate Technology Limited and its controlled subsidiaries ("iWebGate Group"). The key management personal listed below for are for iWebGate Ltd for 2015 and 2104 comparatives.

There are no long term benefits (e.g. long service leave), share based payments (equity settled), or options provided as remuneration. All remuneration is fixed and there is no component linked to performance.

	Cash salary and fees \$	Short-term Cash bonus \$	Non- monetary \$	Post- employment Super- annuation \$	Long-term benefits Annual Leave \$	Total \$
2015						
<i>Non-Executive Directors:</i>						
Adam Sierakowski (Chairman) ¹	66,500	-	-	-	-	66,500
KC Ong ²	15,900	-	-	-	-	15,900
Richard Wolanski ²	15,000	-	-	-	-	15,000
<i>Executive Directors:</i>						
Timothy Gooch ^{1,3}	399,820	-	-	5,700	34,164	439,684
Mark Harrell ¹	160,867	-	-	15,072	16,677	192,616
	<u>658,087</u>	<u>-</u>	<u>-</u>	<u>20,772</u>	<u>50,841</u>	<u>729,700</u>

¹ Represents remuneration from 1 July 2014 to 30 June 2015

² Represents remuneration from 1 July 2014 to 10 December 2014

³ Includes allowances and applicable tax in connection with Mr Gooch's relocation to the United States

	Cash salary and fees \$	Short-term Cash bonus \$	Non- monetary \$	Post- employment Super- annuation \$	Long-term benefits Annual Leave \$	Total \$
2014						
<i>Non-Executive Directors:</i>						
Adam Sierakowski (Chairman)	42,000	-	-	-	-	42,000
KC Ong *	36,000	-	-	-	-	36,000
Richard Wolanski *	36,000	-	-	-	-	36,000
	<u>114,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,000</u>

Service agreements

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

Name: Tim Gooch
Title: Chief Executive Officer
Agreement commenced: 5 December 2014
Term of agreement: 5 years
Details: As executive Director, Mr Timothy Gooch will be paid US\$250,000 per annum inclusive of statutory superannuation and allowances of up to US\$90,000 in connection with Mr Gooch's relocation to the United States.

Name: Mark Harrell
 Title: Managing Director (Asia Pacific)
 Agreement commenced: 5 December 2014
 Term of agreement: 3 years
 Details: As executive Director, Mr Mark Harrell will be paid \$210,000 per annum inclusive of statutory superannuation and allowances of up to \$6,800.

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

Non-Executive Directors

Remuneration of Non-Executive Directors are not formalised in service agreements.

Share-based compensation

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and key management personnel of the consolidated entity, including their personal and related parties holdings, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Adam Sierakowski **	40,500,000	-	2,500,000	(30,375,000)	12,625,000
Timothy Gooch ***	-	-	84,138,951	-	84,138,951
Mark Harrell ***	-	-	25,087,992	-	25,087,992
KC Ong *	-	-	-	-	-
Richard Wolanski *	6,000,000	-	-	(6,000,000)	-
	<u>46,500,000</u>	<u>-</u>	<u>111,726,943</u>	<u>(36,375,000)</u>	<u>121,851,943</u>

* Disposals/other includes shares adjusted from share consolidation and held at resignation date.

** Disposals/other includes shares adjusted from share consolidation

*** Additions includes shares held at appointment date

Option holding

During the financial year the Company granted no options over unissued shares and issued nil ordinary fully paid shares on the exercise of options. As at the date of this report, there are no unissued ordinary shares under option.

Other transactions with key management personnel and their related parties

A number of directors of the Company, or their director-related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with directors and their director related entities were no more favorable to the directors and their director related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding re-imburement of expenses incurred on behalf of the Company) relating to directors and their director-related entities were as follows:

Legal fees:

For the year ending 30 June 2015 \$178,202 of legal fees was paid to Price Sierakowski (of which Mr Adam Sierakowski is a Director). As at the 30 June 2015 \$11,226 is payable to Price Sierakowski.

Company secretarial fees and accounting fees:

For the year ending 30 June 2015 \$73,053 of company secretarial fees and accounting fees was paid to Trident Management Services Pty Ltd (of which Mr Adam Sierakowski and Mr KC Ong are Directors). As at the 30 June 2015 \$10,450 is payable to Trident Management Services Pty Ltd.

General office services, corporate advisory fees, and capital raising:

For the year ending 30 June 2015 \$248,715 of general office services, corporate advisory, and capital raising fees was paid to Trident Capital Pty Ltd (of which Mr Adam Sierakowski is a Director). As at the 30 June 2015 \$2,200 is payable to Trident Capital Pty Ltd.

Director fees:

For the year ending 30 June 2015 \$61,600 of director fees was paid to Trident Capital Pty Ltd (of which Mr Adam Sierakowski is a Director). For the year ending 30 June 2015 \$20,790 of director fees was paid to KC Ong & Associates (of which Mr KC Ong is a Director). As at the 30 June 2015 \$15,400 is payable to Trident Capital Pty Ltd.

Loan payable:

As at 30 June 2015 \$58,570 is owed to Talks One Pty Ltd as trustee for the Gooch Family Trust (of which Tim Gooch is a director and beneficiary). For the year ending 30 June 2015 \$33,225 interest has accrued on the loan and \$865,694 loan repayments had been made.

As at 30 June 2015 \$29,496 is owed to Mark Harrell as trustee for Harrell Family Trust (of which Mark Harrell is trustee and a beneficiary). For the year ending 30 June 2015 \$2,185 interest has accrued on the loan.

Facilitation Shares:

In accordance with the share sale agreement relating to the acquisition of iWebGate Technology Limited, Trident Capital Pty Ltd (of which Mr Adam Sierakowski is a Director) was issued 2,500,000 shares for services relating to the facilitation of the acquisition. These shares which had a value of \$100,000 have been included in the listing expense in the statement of profit or loss and other comprehensive income.

This concludes the remuneration report, which has been audited.

Shares under option

During the financial year the Company granted no options over unissued shares and issued no ordinary fully paid shares on the exercise of options. As at the date of this report, there are no unissued ordinary shares under option.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved 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 APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the company who are former partners of BDO Audit (WA) Pty Ltd.

Auditor's independence declaration

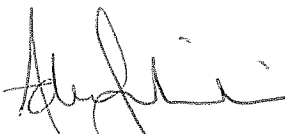
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Adam Sierakowski
Director

31 August 2015

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF IWEBGATE LIMITED

As lead auditor of iWebgate Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of iWebgate Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 31 August 2015

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General information

The financial statements cover iWebGate Limited as a consolidated entity consisting of iWebGate Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is iWebGate Limited's functional and presentation currency.

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

Registered office

Level 24
44 St Georges Terrace
Perth WA 6000
Australia

Principal place of business

Ground Floor
14 Ventnor Avenue
West Perth WA 6005
Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2015. The directors have the power to amend and reissue the financial statements.

iWebGate Limited
Consolidated statement of profit or loss and other
comprehensive income
For the year ended 30 June 2015



	Note	Consolidated	
		2015	2014
		\$	\$
Revenue	4	455,666	498,449
Other Income	4	497,517	1,070,8821
Expenses			
Sales, Marketing, Travel		1,078,647	624,020
Admin, Office, Corporate		709,831	274,988
Development & Commercialisation		3,991,632	2,288,503
Finance costs	5	125,874	252,855
Employee benefits expense	5	111,518	-
Depreciation expense	5	22,515	18,140
Impairment of receivables	5	331,253	-
Listing expenses on acquisition of iWebGate	23(c)	2,003,760	-
		<u>8,375,030</u>	<u>3,458,506</u>
 (Loss) before income tax expense		 (7,421,847)	 (1,889,175)
 Income tax expense	 6	 <u>-</u>	 <u>-</u>
(Loss) after income tax expense for the year		(7,421,847)	(1,889,175)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(76,647)</u>	<u>(10,259)</u>
Other comprehensive income (loss) for the year, net of tax		<u>(76,647)</u>	<u>(10,259)</u>
Total comprehensive loss for the year		<u>(7,498,494)</u>	<u>(1,899,434)</u>
 (Loss) attributable to members of the parent entity		 (7,421,847)	 (1,889,175)
Total comprehensive loss attributable to members of the parent entity		<u>(7,498,494)</u>	<u>(1,899,434)</u>
		Cents	Cents
(Loss) per share from continuing operations			
Basic earnings/(loss) per share	25	(0.02)	(0.17)
Diluted earnings per/(loss) share	25	(0.02)	(0.17)

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

iWebGate Limited
Consolidated statement of financial position
For the year ended 30 June 2015



	Note	Consolidated 2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,741,857	539,368
Trade and other receivables	8	698,482	243,226
Total current assets		<u>2,440,339</u>	<u>782,594</u>
Non-current assets			
Property, plant and equipment	9	30,034	20,130
Other	10	-	17,785
Total non-current assets		<u>30,034</u>	<u>37,915</u>
Total assets		<u>2,470,373</u>	<u>820,509</u>
Liabilities			
Current liabilities			
Trade and other payables	11	550,908	147,588
Employee benefits	12	111,518	-
Other	13	436,307	-
Total current liabilities		<u>1,098,733</u>	<u>147,588</u>
Non-current liabilities			
Borrowings	14	1,304,755	3,678,235
Total non-current liabilities		<u>1,304,755</u>	<u>3,678,235</u>
Total liabilities		<u>2,403,488</u>	<u>3,825,823</u>
Net assets		<u>66,885</u>	<u>(3,005,314)</u>
Equity			
Issued capital	15	13,353,100	2,782,407
Reserves	16	(86,906)	(10,259)
Accumulated losses	17	(13,199,309)	(5,777,462)
Total equity		<u>66,885</u>	<u>(3,005,314)</u>

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

iWebGate Limited
Consolidated statement of changes in equity
For the year ended 30 June 2015



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	2,632,407	-	(3,888,287)	(1,255,880)
Total comprehensive loss for the period	-	(10,259)	(1,889,175)	(1,899,434)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	150,000	-	-	150,000
Balance at 30 June 2014	<u>2,782,407</u>	<u>(10,259)</u>	<u>(5,777,462)</u>	<u>(3,005,314)</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	2,782,407	(10,259)	(5,777,462)	(3,005,314)
Total comprehensive loss for the year	-	(76,647)	(7,421,847)	(7,498,494)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue	7,045,500	-	-	7,045,500
Capital raising costs	(470,792)	-	-	(470,793)
Cost of listing (Facilitation shares)	200,000	-	-	200,000
Shares issued for acquisition of asset	Note 23	3,795,985	-	3,795,985
Balance at 30 June 2015	<u>13,353,100</u>	<u>(86,906)</u>	<u>(13,199,309)</u>	<u>66,885</u>

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

iWebGate Limited
Consolidated statement of cash flows
For the year ended 30 June 2015



	Note	Consolidated	
		2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		779,910	752,982
Payments to suppliers and employees		(5,914,302)	(3,324,988)
		<u>(5,134,392)</u>	<u>(2,572,006)</u>
Grants received		-	1,070,882
Interest received		24,372	6,432
Interest and other finance costs paid		<u>(33,659)</u>	<u>-</u>
Net cash used in operating activities	24	<u>(5,143,679)</u>	<u>(1,494,692)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(32,419)	(1,965)
Payments for security deposits		(109,184)	-
Cash acquired on acquisition	23(d)	<u>53,574</u>	<u>-</u>
Net cash used in investing activities		<u>(88,029)</u>	<u>(1,965)</u>
Cash flows from financing activities			
Proceeds from issue of shares		7,045,500	150,000
Share issue transaction costs		(470,791)	-
Loan advanced		(274,818)	-
Proceeds from borrowings		1,000,000	1,650,000
Repayment of borrowings		<u>(865,694)</u>	<u>(90,000)</u>
Net cash from financing activities		<u>6,434,197</u>	<u>1,710,000</u>
Net increase/(decrease) in cash and cash equivalents		1,202,489	213,342
Cash and cash equivalents at the beginning of the financial year		<u>539,368</u>	<u>326,026</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,741,857</u></u>	<u><u>539,368</u></u>

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

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IWebGate Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. IWebGate Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Foreign currency translation

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

Note 1. Significant accounting policies (continued)

Foreign currency transactions

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

Foreign operations

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

Revenue recognition

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

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue from service fees is recognised by reference to the stage of completion of the contracts. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

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

Grant revenue

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Other revenue

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

Income tax

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

IWebGate Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

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

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

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

Note 1. Significant accounting policies (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

Plant and equipment	2-7 years
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Leases

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

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

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

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

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

Intangible assets

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Patents and trademarks

Patent and trademark costs are expensed in the period in which they are incurred.

Trade and other payables

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

Note 1. Significant accounting policies (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are 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.

Superannuation expense

Employees may nominate their own superannuation fund into which the Company pays superannuation contributions. The Company currently contributes 9.5% of employee's salary to each employee's nominated fund or where a fund is not nominated by an employee, to a superannuation fund chosen by the Company.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Acquisition of iWebGate Group

On 5 December 2014 iWebGate Limited (formerly My ATM Holdings Limited) completed the acquisition of iWebGate Technology Limited and its controlled subsidiaries ("iWebGate Group"). Under the Australian Accounting Standards iWebGate Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which iWebGate Group acquires the net assets and listing status of iWebGate.

Accordingly the consolidated financial statements of the iWebGate Limited Group have been prepared as a continuation of the business and operations of iWebGate Group. As the deemed acquirer iWebGate Group has accounted for the acquisition of iWebGate Limited from 5 December 2014. The comparative information presented in the consolidated financial statements is that of iWebGate Group as presented in its last set of year-end audited financial statements.

The implications of the acquisition by iWebGate on the financial statements are as follows:

- a) Statement of profit or loss and other comprehensive income
 - The 2015 Statement of profit or loss and other comprehensive income comprises the total comprehensive income for the financial year.
 - The Statement of profit or loss and other comprehensive income comparatives comprises the full financial year for iWebGate Group only.

Note 1. Significant accounting policies (continued)

- b) Statement of financial position
- The 2015 Statement of financial position as at 30 June 2015 represents the combination of iWebGate Group and iWebGate.
 - The Statement of financial position comparative represents iWebGate Group only as at 30 June 2014.
- c) Statement of changes in equity
- The 2015 Statement of changes in equity comprises:
 - The equity balance of iWebGate Group as at the beginning of the financial year (1 July 2014).
 - The total comprehensive income for the financial year and transactions with equity holders, being the 12 months from iWebGate Group for the year ended 30 June 2015 and the period from 5 December 2014 until 30 June 2015 for iWebGate.
 - The equity balance of the combined iWebGate Group and iWebGate at the end of the financial year (30 June 2015).
 - The Statement of changes in equity comparatives comprises the full financial year for iWebGate Group for the 12 months ended 30 June 2014.
- d) Statement of cash flows
- The 2015 Statement of cash flows comprises:
 - The cash balance of iWebGate Group at the beginning of the financial year (1 July 2014).
 - The transactions for the financial year for the 12 months from iWebGate Group for the year ended 30 June 2015 and the period from 5 December 2014 until 30 June 2015 for iWebGate.
 - The cash balance of the combined iWebGate Group and iWebGate at the end of the period (30 June 2015).
 - The Statement of cash flows comparatives comprises the full financial year of iWebGate Group for the year ended 30 June 2014.

Going Concern

The Group will require further funding during the next 12 months in order to meet day to day obligations as they fall due and to successfully progress commercialising its products. Based on the Group's cash flow forecast the Board of Directors is aware of the Group's need to access additional working capital in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, and including successfully commercialising its products.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis.

The directors have based this on the following pertinent matters:

- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;
- The Group retains the ability, if required, to wholly or in part dispose of its intellectual property.
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.
- The Directors have determined that future equity raisings will be required and can be achieved to provide funding for the Group's activities and to meet the Group's objectives.

Should the Group not achieve the matters set out above, there is significant uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the

Note 1. Significant accounting policies (continued)

financial statements.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Fair Value Measurement

Due to their short-term nature, the carrying amount of the current receivables, current payables and current borrowings is assumed to approximate their fair value. Loans and borrowings are recognised at the fair value of the consideration received, net of transaction costs.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015.

The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

<i>Title of standard</i>	<i>Nature of change</i>	<i>Impact</i>	<i>Mandatory application date/ Date adopted by company</i>
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the company's accounting for financial assets and financial liabilities as the new requirements only affect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such financial assets or financial liabilities.	Must be applied for financial years commencing on or after 1 January 2018. Application date for the company will be 30 June 2019.

Note 1. Significant accounting policies (continued)

		The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	The company does not currently have any hedging arrangements in place.
AASB 15 (issued June 2014)	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	The company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2018.
Revenue from contracts with customers	Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.		Application date for the company will be 30 June 2019.

Note 2. Critical accounting judgements, estimates and assumptions

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

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Estimation of useful lives of assets

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

Income tax

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

Note 3: Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Chief Operating Decision Makers ('CODM') in assessing performance and determining the allocation of resources. The CODM comprise Tim Gooch (Chief Executive Officer) and Mark Harrell (Managing Director Asia Pacific) and decisions in regards to the companies resources are made on a consolidated level rather than looking at each individual company or geographical area. The reportable segment is represented by the primary statements forming this financial report.

Note 3: Operating Segments (continued)

<i>Geographical information</i>	Sales to external customers		Geographical non-current assets	
	2015	2014	2015	2014
	\$	\$	\$	\$
<u>Property, plant and equipment</u>				
Australia	363,040	436,353	10,858	18,165
USA	157,196	55,664	19,176	1,965
	<u>520,236</u>	<u>492,017</u>	<u>30,034</u>	<u>20,130</u>
<i>Reconciliation:</i>				
Property, plant and equipment – Australia				
Opening balance			18,165	36,305
Acquisitions at cost			1,681	-
Depreciation expense			(8,988)	(18,140)
Closing balance			<u>10,858</u>	<u>18,165</u>
Property, plant and equipment – USA				
Opening balance			1,965	-
Acquisitions at cost			30,738	1,965
Depreciation expense			(13,527)	-
Closing balance			<u>19,176</u>	<u>1,965</u>

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

Note 4. Revenue	Consolidated	
	2015	2014
	\$	\$
Revenue		
Sales revenue	431,294	492,017
Interest	24,372	6,432
Revenue from continuing operations	<u>455,666</u>	<u>498,449</u>
<i>Other Income</i>		
Grants and R&D Refund	<u>497,517</u>	<u>1,070,882</u>

Note 5. Expenses	Consolidated	
	2015	2014
	\$	\$
<i>Finance costs</i>		
Other	-	94,475
Interest paid/payable	125,874	158,380
	<u>125,874</u>	<u>252,855</u>
<i>Employee benefits expense</i>		
Annual leave	<u>111,518</u>	-
<i>Depreciation expense</i>		
Property, plant and equipment	<u>22,515</u>	<u>18,140</u>
<i>Impairment of receivables</i>		
Trade receivables	56,435	-
Other receivables	274,818	-
	<u>331,253</u>	-

Note 5. Expenses (continued)

Rental expense relating to operating leases
Minimum lease payments

128,087	86,791
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Note 6. Income tax expense

Income tax expense

Current tax

Deferred tax

Aggregate income tax expense

Consolidated	
2015	2014
\$	\$

-	-
-	-
-	-

Loss before income tax expense from continuing operations

(7,421,847)	(1,889,175)
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Tax at the statutory tax rate of 30%

(2,226,554)	(569,830)
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Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Deductible Tax Amortisation (s40-880)	(133,266)	(4,153)
Listing Fee Expense – Non-Tax Deductible	421,559	-
Movement in Accrued Expenses	3,246	-
Movement in Provision for Annual Leave	33,455	-
Movement in Provision for Doubtful Debts	16,931	-
Movement in Prepaid Expenses	9,851	-
Movement in Provision for Loan Write-Down	82,445	-
Movement in Provision For Superannuation Expense	9,432	55
Non-Assessable Prior Year Research and Development Tax Incentive	(149,255)	-
Non-Deductible Consultancy Costs	57,000	-
Non-Deductible Entertainment	-	376
Non-Deductible Legal Fees	48,140	10,343
Non-Deductible Patent Expenses	10,086	8,532
Non-Deductible Penalties	-	835
Non-Deductible Superannuation Payments	23,992	-
Plant & Equipment to be Depreciated	2,030	-
Unrealised Foreign Exchange Loss	1,251	-
Tax losses not recognised	(1,789,657)	(553,843)

Deferred Tax Asset in respect to Tax Losses and other Temporary Differences not recognised

1,789,657	553,843
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Income tax expense

-	-
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Unused tax losses for which no deferred tax has been recognised – Income (Australian)

10,477,848	1,365,417
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Unused tax losses for which no deferred tax has been recognised – Income (Overseas)

153,771	-
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Unused tax losses for which no deferred tax has been recognised – Capital (Australian)

9,546,682	-
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The availability of the Australian tax losses (Income: \$10,477,848 and Capital \$9,546,682) are subject to the Company's ability to satisfy Australian Taxation Office's requirements for utilisation, specifically the Continuity of Ownership Test or the Same Business Test. The company is seeking advice as to whether it meets the requirements under either of these two tests. Further, if successful in meeting these requirements, the tax losses attributable to iWebGate Technology Limited prior to acquisition by iWebGate Limited (formerly My ATM Holdings Limited), will only be made available annually in accordance with the determined available fraction upon at time of acquisition. The Australian tax losses for iWebGate Limited are Income: \$3,831,510 and Capital: \$9,546,682, and for iWebGate Technology Limited are Income: \$6,646,338 and Capital \$Nil.

iWebGate Limited
Notes to the financial statements
30 June 2015

Note 7. Current assets - cash and cash equivalents	Consolidated	
	2015	2014
	\$	\$
Cash at bank	1,741,857	539,368

Note 8. Current assets - trade and other receivables	Consolidated	
	2015	2014
	\$	\$
Trade receivables	130,432	243,226
Grants and R&D Refund	497,517	-
Security deposits	126,968	-
Other receivables	274,818	-
Less: Provision for impairment of receivables (Note 5)	(331,253)	-
	<u>698,482</u>	<u>243,226</u>

Impairment of receivables

The consolidated entity has recognised a loss of \$331,253 (2014: Nil) in profit or loss in respect of impairment of receivables for the year ended 30 June 2015.

Note 9. Non-current assets - property, plant and equipment	Consolidated	
	2015	2014
	\$	\$
Plant and equipment - at cost	103,061	69,391
Less: Accumulated depreciation	(73,027)	(49,261)
	<u>30,034</u>	<u>20,130</u>

Note 10. Non-current assets - other	Consolidated	
	2015	2014
	\$	\$
Security deposits	-	17,785

Note 11. Current liabilities - trade and other payables	Consolidated	
	2015	2014
	\$	\$
Trade payables	550,908	147,588

Note 12. Current liabilities - Employee benefits	Consolidated	
	2015	2014
	\$	\$
Employee benefits	111,518	-

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The above amounts reflect annual leave that has accrued as at the reporting date.

Note 13. Current liabilities - other	Consolidated	
	2015	2014
	\$	\$
Accrued expenses	436,307	-

	Consolidated	
	2015	2014
	\$	\$
Related party loans	88,066	1,858,995
Other loans	1,216,689	219,240
MYA loan	-	1,600,000
	<u>1,304,755</u>	<u>3,678,235</u>

	Consolidated			
	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>609,059,604</u>	<u>11,434,918</u>	<u>13,353,100</u>	<u>2,782,407</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2013	11,342,893		2,632,407
Issue of shares	20 December 2013	<u>92,025</u>	\$1.63	<u>150,000</u>
Balance	30 June 2014	11,434,918		2,782,407
Issue of shares	4 December 2014	12,501,250	\$0.40	5,000,500
Share issue transaction costs, net of tax	4 December 2014	-		(344,524)
Facilitation shares		5,000,000		200,000
Shares for acquisition of iWebGate Group, Deemed consideration on acquisition (Note 23)		465,972,916		3,795,985
Shares in iWebGate on completion of acquisition		115,360,438		-
iWebgate Group shares eliminated on completion of acquisition		(11,434,918)		-
Issue of shares	24 June 2015	10,225,000	\$0.20	2,045,000
Share issue transaction costs, net of tax	24 June 2015	-		(126,268)
Balance	30 June 2015	<u>609,059,604</u>		<u>13,353,100</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 16. Equity - reserves	Consolidated	
	2015	2014
	\$	\$
Foreign currency reserve	(86,906)	(10,259)
	<u>(86,906)</u>	<u>(10,259)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Note 17. Equity - accumulated losses	Consolidated	
	2015	2014
	\$	\$
Accumulated losses at the beginning of the financial year	5,777,462	3,888,287
Loss after income tax expense for the year	7,421,847	1,889,175
Accumulated losses at the end of the financial year	<u>13,199,309</u>	<u>5,777,462</u>

Note 18. Remuneration of auditors	Consolidated	
	2015	2014
	\$	\$
During the financial year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the auditor of the company, its network firms and unrelated firms:		
<i>Audit services - BDO Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	37,580	10,000
<i>Other services - BDO Audit (WA) Pty Ltd</i>		
Audit of historical financial statements	25,180	-
Audit of grant claims	6,660	-
<i>Other services - BDO Corporate Tax (WA) Pty Ltd</i>		
Preparation of tax return	13,829	-
<i>Other services - BDO Corporate Finance (WA) Pty Ltd</i>		
Independent Accountant Report	4,590	-
	<u>50,259</u>	<u>-</u>
	<u>87,839</u>	<u>10,000</u>

Note 19. Commitments	Consolidated	
	2015	2014
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	149,612	44,571
One to five years	553,394	1,842
	<u>703,006</u>	<u>46,413</u>

Operating lease commitments includes contracted amounts for offices and plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 20. Related party transactions

Parent entity

iWebGate Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report in the directors' report.

Compensation

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

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	658,087	114,000
Post-employment benefits	20,772	-
Long-term benefits*	50,841	-
	<u>729,700</u>	<u>114,000</u>

* Annual leave accrued and owed as at the record date.

Compensation in the above table includes Adam Sierakowski, Timothy Gooch and Mark Harrell from 1 July 2014 to 30 June 2015, KC Ong and Richard Wolanski from 1 July 2014 to 10 December 2014 (2014 includes Adam Sierakowski, KC Ong and Richard Wolanski from 1 July 2013 to 30 June 2014).

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2015	2014
	\$	\$
Payment for services:		
Legal services from Price Sierakowski (director-related entity of Adam Sierakowski)	178,202	213,637
Company secretarial fees and accounting services from Trident Management Services Pty Ltd (director-related entity of Adam Sierakowski and KC Ong)	73,053	90,823
General office services, corporate advisory, and capital raising services from Trident Capital Pty Ltd (director-related entity of Adam Sierakowski)	248,715	230,450
Director fees paid to Trident Capital Pty Ltd (director-related entity of Adam Sierakowski)	61,600	42,000
Director fees paid to KC Ong & Associates (director-related entity of KC Ong)	20,790	36,000
Facilitation shares issued to Trident Capital Pty Ltd (director-related entity of Adam Sierakowski)	200,000	-

Payable to related parties

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

	Consolidated	
	2015	2014
	\$	\$
Current payables:		
Price Sierakowski (director-related entity of Adam Sierakowski)	11,226	66,430
Trident Management Services Pty Ltd (director-related entity of Adam Sierakowski and KC Ong)	10,450	6,475
Trident Capital Pty Ltd (director-related entity of Adam Sierakowski)	17,600	25,000

Note 20. Related party transactions (continued)

Loans from related parties

The loan balances are outstanding at the reporting date with related parties:

Borrowings:

	Consolidated	
	2015	2014
	\$	\$
Talks One Pty Ltd as trustee for the Gooch Family Trust (director-related entity of Tim Gooch)	58,570	891,039
Mark Harrell as trustee for Harrell Family Trust (director-related entity of Mark Harrell)	29,496	27,311
The Sutherland Family Company Pty Ltd as trustee for The Swan Trust (iWebGate Technology Limited director-related entity of Andrew Sutherland who resigned on 5 December 2014 following completion of the acquisition by iWebGate Ltd)	-	798,644
Charles Gargett and Katherine Gargett (iWebGate Technology Limited director-related Charles Gargett who resigned on 5 December 2014 following completion of the acquisition by iWebGate Ltd)	-	142,000

Interest accrued:

Talks One Pty Ltd as trustee for the Gooch Family Trust (director-related entity of Tim Gooch)	33,225	68,346
Mark Harrell as trustee for Harrell Family Trust (director-related entity of Mark Harrell)	2,185	2,197

Repayments:

Talks One Pty Ltd as trustee for the Gooch Family Trust (director-related entity of Tim Gooch)	865,694	15,000
Mark Harrell as trustee for Harrell Family Trust (director-related entity of Mark Harrell)	-	10,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2015	2014
	\$	\$
Loss after income tax	610,116	1,677,997

Statement of financial position

	Parent	
	2015	2014
	\$	\$
Total current assets	1,449,684	559,006
Total assets	1,449,684	570,527
Total current liabilities	87,030	88,896
Total liabilities	87,030	3,767,130
Equity		
Issued capital	11,789,545	2,782,407
Accumulated losses	(10,426,891)	(5,797,010)
Total equity	<u>1,362,654</u>	<u>(3,014,603)</u>

Note 21. Parent entity information (continued)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2015 and 30 June 2014.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2015 %	2014 %
iWebGate Technology Pty Ltd	Australia	100.00%	- %
iWebGate APAC Pty Ltd	Australia	100.00%	- %
iWebGate Corp	USA	100.00%	- %
Ghost Network Inc	USA	100.00%	- %

Note 23. Share Based Payment Acquisition

On 5 December 2014 iWebGate Limited (formerly My ATM Holdings Limited) completed the acquisition of iWebGate Technology Limited and its controlled subsidiaries ("iWebGate Group"). Under the Australian Accounting Standards iWebGate Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which iWebGate Group acquires the net assets and listing status of iWebGate.

Note 23(a): Deemed Consideration for reverse acquisition

The deemed consideration was the issue of 465,972,916 shares in iWebGate (legal parent) to the shareholders of iWebGate Group and is deemed to have a value of \$3,795,985. In addition, 5,000,000 shares were issued to advisors of the transaction relating to services for facilitating the transaction. These shares had a value of \$200,000 which was based on the share price of iWebGate Limited at the date of the facilitation share arrangement being entered into and have been included as a transaction cost, as part of the listing expense below.

Note 23(b): Deemed iWebGate share capital

Historical issued capital balance 30 June 2014	\$ 4,086,489
Issue of shares before acquisition (net of issue costs)	928,348
Elimination of iWebGate issued capital	(5,014,837)
Deemed consideration on acquisition (note 23a)	3,795,985
Total iWebGate share capital on completion	<u>3,795,985</u>

Note 23(c): iWebGate Retained Losses Pre-completion

Historical balance 30 June 2014	\$ (1,942,968)
Losses from 1 July 2014 to 5 December 2014	(333,112)
Elimination of iWebGate losses	2,276,081
Deemed consideration on acquisition (note 23a)	3,795,985
Less net assets iWebGate pre-acquisition	<u>(2,738,757)</u>
Total iWebGate losses on completion	1,057,229
Facilitation shares	200,000
Other transaction costs	746,531
Total listing expense	<u>2,003,760</u>

Note 23. Share Based Payment Acquisition (continued)

<u>Note 23(d): Assets and liabilities acquired (at fair value at the date of acquisition)</u>	\$
Cash and cash equivalents	53,574
Trade and other receivables	235,823
Loan receivable	<u>2,600,000</u>
Total assets	2,889,397
Trade and other payables	<u>150,640</u>
Total liabilities	150,640
Net assets	<u><u>2,738,757</u></u>

Note 24. Reconciliation of profit after income tax to net cash from operating activities	Consolidated	
	2015	2014
	\$	\$
Loss after income tax expense for the year	(7,421,847)	(1,889,175)
Adjustments for:		
Depreciation and amortisation	22,515	18,140
Foreign exchange differences	(76,647)	-
Impairment of receivables	331,253	-
Interest accrued on loans	92,215	151,010
Listing fee expense on acquisition of iWebGate	1,257,229	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(148,901)	246,022
Decrease/(increase) in other operating assets	-	4,685
Increase (decrease) in employee benefits	111,518	-
Increase/(decrease) in trade and other payables	<u>688,986</u>	<u>(25,374)</u>
Net cash used in operating activities	<u>(5,143,679)</u>	<u>(1,494,692)</u>

Note 25. Earnings per share	Consolidated	
	2015	2014
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of IWebGate Limited	<u>(7,421,847)</u>	<u>(1,889,175)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic diluted earnings/(loss) per share	<u>398,473,333</u>	<u>11,434,918</u>
	Cents	Cents
Basic earnings/(loss) per share	(0.02)	(0.17)
Diluted earnings/(loss) per share	(0.02)	(0.17)

Note 26. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures but may do so as and when required. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by senior executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

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

	Assets		Liabilities	
	2015	2014	2015	2014
Consolidated	\$	\$	\$	\$
US dollars	222,276	72,638	10,450	75,431

The consolidated entity had net assets denominated in foreign currencies of \$226,580 (assets of \$241,452 less liabilities of \$14,872) as at 30 June 2015 (2014: \$42,930 (assets of \$74,603 less liabilities of \$31,674)). Based on this exposure, had the Australian dollar weakened by 5% / strengthened by 5% (2014: weakened by 5% / strengthened by 5%) against the foreign currency with all other variables held constant, the consolidated entity's loss before tax for the year would have been \$6,905 lower / \$6,905 higher (2014: \$6,084 lower / \$6,084 higher) and equity would have been \$11,329 lower / \$11,239 higher (2014: \$2,146 lower / \$2,146 higher). The percentage change is the expected overall volatility of the significant currency, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2015 was \$17,750 (2014: loss of \$10,259).

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value risk. The consolidated entity's borrowings outstanding, totalling \$1,304,755 (2014: \$3,678,235), are fixed interest loans.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Note 26. Financial instruments (continued)

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

There are no unused borrowing facilities at the reporting date.

Remaining contractual maturities

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

Consolidated - 2015	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	550,908	-	-	-	550,908
Accrued expenses	-%	436,307	-	-	-	436,307
<i>Interest-bearing - fixed rate</i>						
Related party loans	8.2%	-	88,066	-	-	88,066
Other loans	8.2%	-	1,216,689	-	-	1,216,689
Total non-derivatives		987,215	1,304,755	-	-	2,291,970

Consolidated - 2014	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	147,588	-	-	-	147,588
Accrued expenses	-%	-	-	-	-	-
<i>Interest-bearing - fixed rate</i>						
Related party loans	8.2%	-	1,858,995	-	-	1,858,995
Other loans	8.2%	-	219,240	-	-	219,240
MYA loan	7.0%	-	1,600,000	-	-	1,600,000
Total non-derivatives		147,588	3,678,235	-	-	3,825,283

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Fair value measurement

There are no assets or liabilities carried at fair value in the accounts.

For borrowings the fair value is not materially different to their carrying value, since the interest payable on the these borrowings is close to current market rates and the borrowings are short term in nature.

As at 30 June 2015	Fair value	Valuation technique
	\$	
Non-current borrowings	1,304,755	The carrying amounts of non-current borrowings in note 14 approximate its fair value.

Note 28. Contingent liabilities

There are no contingent liabilities as at 30 June 2015 (2014 \$nil).

Note 29. Events after the reporting period

There has been no material event subsequent to the year ended 30 June 2105.

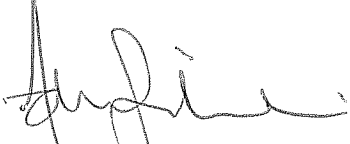
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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

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

On behalf of the directors

A handwritten signature in black ink, appearing to read "Adam Sierakowski".

Adam Sierakowski
Director

31 August 2015

INDEPENDENT AUDITOR'S REPORT

To the members of iWebgate Limited

Report on the Financial Report

We have audited the accompanying financial report of iWebgate Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*,



which has been given to the directors of iWebgate Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of iWebgate Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the consolidated entity successfully commercialising its products, raising further equity as required and/ or reducing expenditure and commitments. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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

In our opinion, the Remuneration Report of iWebGate Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Dean Just
Director

Perth, 31 August 2015

The shareholder information set out below was applicable as at 26 August 2015.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	402
1,001 to 5,000	194
5,001 to 10,000	85
10,001 to 100,000	424
100,001 and over	307
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	1,412
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Holding less than a marketable parcel	475
	<hr style="border-top: 1px solid black;"/>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
TALKS ONE PTY LTD <GOOCH FAMILY A/C>	84,138,951	13.81
SINGARA PTY LTD <GARGETT FAMILY A/C>	84,138,951	13.81
THE SUTHERLAND FAMILY COMPANY PTY LTD <SWAN A/C>	82,570,076	13.56
TR7 HOLDINGS PTY LTD	34,473,168	5.66
MARK HARRELL <HARRELL FAMILY A/C>	25,087,992	4.12
MARKENFIELD PTY LTD <THE METTAM FAMILY A/C>	18,456,031	3.03
REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	15,323,100	2.52
AUXILIATUS PTY LTD <THE IWEBGATE FUND A/C>	12,500,000	2.05
MR DAVID JOHN EDWARD LEDGER	11,250,000	1.85
BLUE SAINT PTY LTD	10,000,000	1.64
EXTREME ROOFING PTY LTD <DE BIE FAMILY A/C>	9,027,000	1.48
ANTHONY GOOCH <GOOCH FAMILY A/C>	8,793,345	1.44
MR MICHAEL JAMES LEWIS <LEWIS A/C>	8,300,000	1.36
JAWATTE NOMINEES PTY LTD <BARTLETT FAMILY SF A/C>	8,063,687	1.32
MR PETER WILLIAM CLARK + MRS LESLEIGH ANN CLARK <THE CLARK SUPER FUND A/C>	5,166,005	0.85
AUXILIATUS PTY LTD <THE IWEBGATE FUND (2) A/C>	5,082,145	0.83
MCCUSKER HOLDINGS PTY LTD	4,595,000	0.75
SOLANGE LTD	4,491,527	0.74
MR JOHN ROLAND PARKMAN + MRS ANNETTE JANE PARKMAN <PARKMAN S/F A/C>	4,365,850	0.72
JB DAVROS PTY LTD <THE RAYMOR A/C>	3,450,000	0.57
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	439,272,828	72.12
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Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
TALKS ONE PTY LTD <GOOCH FAMILY A/C>	84,138,951	13.81
SINGARA PTY LTD <GARGETT FAMILY A/C>, THE SUTHERLAND FAMILY COMPANY PTY LTD <SWAN A/C>	84,138,951	13.81
TR7 HOLDINGS PTY LTD	82,570,076	13.56
	34,473,168	5.66

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number of shares
Ordinary shares	17 December 2016	<u>308,008,973</u>

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.iwebgate.com under the section marked "Corporate Governance":

- a) Board Charter;
- b) Board Performance Evaluation Policy;
- c) Code of Conduct;
- d) Audit Committee Charter;
- e) Remuneration and Nomination Committee Charter;
- f) Security Trading Policy;
- g) Continuous Disclosure Policy;
- h) Shareholder Communication and Investor Relations Policy;
- i) Risk Management Policy; and
- j) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- a) setting and reviewing strategic direction and planning;
- b) reviewing financial and operational performance;
- c) identifying principal risks and reviewing risk management strategies; and
- d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's

Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- a) ensuring a good flow of information between the Board, its committees, and Directors;
- b) monitoring policies and procedures of the Board;
- c) advising the Board through the Chairman of corporate governance policies; and
- d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

During the reporting period, an evaluation of the Chief Executive Officer and senior executives has taken place with the Board pleased with performance.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

During the reporting period, an evaluation of the Board, its committees and individual directors has taken place in accordance with the Company's policy.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- a) a broad range of business experience; and
- b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- a) Adam Sierakowski (Chairman);
- b) Tim Gooch (Executive Director); and
- c) Mark Harrell (Executive Director).

Messrs Gooch and Harrell, both of whom are not independent executive directors, were appointed to the Board on 9 December 2014. The Chairman, Mr Adam Sierakowski has been a director of the Company since 23 July 2012. He is a director and shareholder of Trident, a provider of material professional services, and accordingly, is also not independent.

Recommendation 2.4

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have any independent directors.

Recommendation 2.5

As noted above, Mr Sierakowski is not an independent Chairman. Mr Sierakowski is considered to be the most appropriate person to Chair the Board because of his public company experience.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

- a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the

Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.iwebgate.com. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- a) relevant announcements made to the market via ASX;
- b) media releases;
- c) investment updates;
- d) Company presentations and media briefings;
- e) copies of press releases and announcements for the preceding three years; and
- f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- a) reports to Shareholders;
- b) ASX announcements;
- c) annual general meetings; and
- d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- a) operational risk;
- b) financial reporting;
- c) compliance / regulations; and
- d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks as outlined in the Company's Prospectus.

The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the

Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- b) trading in the Company's securities which is not subject to the Company's trading policy; and
- c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.